

Weekend

FINANCIAL TIMES

Weekend FT

Taking care
of business

SECTION II

World Business Newspaper <http://www.FT.com>

The FT at Davos

WORLD ECONOMIC FORUM

A special half page of news: Page 3

Ex-wife held over murder of Gucci fashion chief

Patrizia Reggiani, ex-wife of Maurizio Gucci, was among five people arrested for the murder of the former head of the fashion goods company, who was shot in Milan in 1995. Police arrested Ms Reggiani at dawn, as well as detaining two men allegedly hired as assassins for £500m (\$815,000), a hotel porter who allegedly acted as intermediary and Mr Reggiani's personal fortune teller. Page 2

London shares rise to a new peak
 Wall Street's strength helped European stocks to rally, with London, Frankfurt and Paris among the seven continental markets hitting all-time highs. In London, shares reacted to reassuring US data and bullish UK corporate news. The FTSE 100 share index hit a closing peak of 4,275.8 points, up 47.4 on the day four points above its previous record on January 23. Page 21; World Stocks, Page 19

Rivals vie for football club Rival consortia involving the International Management Group of sports entrepreneur Mark McCormack and Saatchi & Saatchi, the UK-based advertising agency, are bidding to take control of French football club Strasbourg. Page 2

Simpson jury dismissed The only black person on the jury in the O.J. Simpson wrongful death trial was dismissed and deliberations were ordered to begin again with a new juror, an Asian in his 30s. Judge Hiroshi Fujisaki gave no reason for the dismissal at the Santa Monica court. Former US sports star Simpson is being sued for liability for the deaths of his former wife and her friend.

Hambo founder held South Korean prosecutors arrested Hambo Group founder Chung Tae-soo in connection with huge loans to the group's steelmaking flagship, while the government took steps to safeguard Hambo Steel. Page 3

Life for trafficker A US judge sentenced drug trafficker Juan Garcia Abrego to life in prison without parole and ordered him to pay almost \$500m in fines and forfeits. He received 11 life sentences and nine 20-year sentences for drug-trafficking, money laundering and bribery.

Madagascar results Former military ruler Didier Ratsiraka was declared president of Madagascar after a court said he won 50.7 per cent of the vote in last December's elections.

FT Mastercard Enterprise
 Your chance
 to win a
 magnum of
 champagne
 and more!

FT.com: the FT web site provides online news, comment and analysis at <http://www.FT.com>

Companies in this issue

American Mails Int'l	5 Kvaerner
Ata-UAP	5 NatWest
Beele	5 Photo-Me Int'l
Cable and Wireless	24 Porsche
Coca-Cola	6 Random House
Cordant	2 Reed Elsevier
Deutsche Telekom	24 RWE
Sokhim	5 SAP
Fitness First	5 Scor
France Telecom	24 Southern Electric

0 5
 9 7 7 0 1 7 4 7 3 8 1 6 6
 For customer service and other general enquiries call: Frankfurt (069) 15885150

America: LBN200; Australia: BGN207; Austria: BGN207; Belgium: BPN207; Canada: C\$220; China: RMB250; CIS: US\$400; Czech: Kč1000; Denmark: DKK250; Egypt: EGP250; Estonia: EMK2400; Finland: FIM2100;
 France: FFY200; Germany: DM200; Greece: DR200; Hong Kong: HK\$200; Hungary: HUF200; India: INR200; Indonesia: IDR200; Israel: NIS200; Italy: Lira200; Japan: YEN200; Jordan: JD175; Kazakhstan: Tenge200; Korea: Won 2000; Kuwait: Dinar200; Lebanon: LBP200; Luxembourg: Lfr200; Macau: MOP200; Malta: Lira200; Mexico: MXN200; Morocco: MAD200; Netherlands: FL200; Norway: Nkr200; Pakistan: Rs200; Philippines: P200;
 Poland: ZL200; Portugal: Esc200; Saudi Arabia: RY200; Spain: Peseta200; Sri Lanka: Rupee200; Sweden: SEK200; Switzerland: Franken200; Turkey: TL200; United States: USD200

Overseas: Euro 1.30; Turkey 1.30; US\$ 1.30; UAE: Dhs200; USA: \$1.30; United Kingdom: £1.30; Yugoslavia: Dinar200

© THE FINANCIAL TIMES LIMITED 1997 No 33,205



Ruby Wax -
the real thing



Golf: getting to
grips with Tiger



WEEKEND FEBRUARY 1/FEBRUARY 2 1997

Mandela names Buthelezi president for a day

Surprise over gesture of reconciliation to Zulu people

By Roger Matthews
in Johannesburg

Chief Mangosuthu Buthelezi, the Zulu leader, will achieve his greatest ambition tomorrow as he becomes president of South Africa – albeit for less than 24 hours. "I am filled with awe," he said.

This elevation comes from President Nelson Mandela, against whom he has battled for years, and of whom he said last year: "My trust in the President has been eroded to such an extent that I doubt whether it can ever be restored."

Mr Mandela, in response, has spoken of the "dark and sinister forces" at work in the province of KwaZulu-Natal, where Chief Buthelezi's Inkatha Freedom party controls the provincial assembly. It was therefore little wonder that Mr Mandela's announcement of the appointment yesterday to the Senate, the upper house of parliament, was greeted with gasps of astonishment, nervous laughter, then applause. It was an appointment, he said, based on

merit. The opportunity for this gesture of political generosity came because Mr Mandela leaves tomorrow for Davos in Switzerland to attend the annual meeting of the World Economic Forum. Mr Thabo Mbeki, the deputy president, is already there and will not return to South Africa until later the same day. Under the constitution, an acting president has to be appointed if both are out of the country. The move also demonstrates

that Mr Mandela, while burnishing his reputation for national reconciliation, has lost none of his political wiles.

The IFP was rocked last week by the resignations of three of its most senior members, raising fears they would be replaced by hardliners, and that efforts in KwaZulu-Natal to achieve peace with Mr Mandela's African National Congress would be abandoned.

At least 15,000 people have died in the violence of the past decade and tension in the

provinces remains a threat to long-term political stability.

By leaving Chief Buthelezi

in charge of the country and the armed forces, Mr Mandela could scarcely have made a more emphatic gesture to the Zulu people of his commitment to a lasting reconciliation between the ANC and the IFP.

At the same time it may encourage Chief Buthelezi to remain within the governing coalition, in which he is minister of home affairs.

The appointment also sharp-

ens speculation that Mr Mandela may be preparing to offer him the post of second deputy president, a position vacated by Mr F W de Klerk when he took the National party out of the government of national unity last year.

It also relieves him of appointing an acting president from within the ANC, thereby anointing a number three.

However, there is one possi-

ble drawback to Chief Buthelezi's appointment, according to Mr Alex Breda, the National party leader in the Senate. "I just hope he lets Mandela back into the country," he said.

Boost for Emu as \$1.18bn bond is sold in euros

By Richard Adams in London

European monetary union moved a step closer to reality yesterday with the launch of the first bonds denominated in the euro, the future European single currency.

A €1bn (\$1.18bn) euro-denominated bond by the European Investment Bank, the financing arm of the European Union, was three times oversubscribed. The success of the

issue proved the market had confidence in the strength of the euro and the future of the Emu project, market analysts said.

Sales of the euro issue were jointly managed by the London offices of the French bank Paribas and the Swiss bank SBC Warburg, along with the leading French financial institution Caisse des Dépôts et Consignations in Paris.

The euro will not come into

existence until the third stage of monetary union, scheduled to go ahead in January 1999. Until then the EIB said it would pay the interest in European currency units (ecu), the basket of EU member currencies that will form the basis of the euro. Buyers of the bond will pay in ecus, and the EIB has pledged to convert ecus into euros on a one-to-one basis when a single currency is established.

Two of the lead managers of the issue said it had originally met with slight resistance from buyers in the market. Mr Cyril Ardalan, of Paribas Capital Markets in London, said: "We did encounter a certain degree of scepticism."

Mr Stephen West, managing director of SBC Warburg in London, said: "We were surprised at how well it went, to be honest."

He said the issue had been

Continued on Page 24
 Stance on deficits, Page 2
 Editorial Comment, Page 3
 Lex, Page 24

Surge in exports helps US growth accelerate sharply

By Gerard Baker
in Washington

US economic growth accelerated sharply at the end of last year, pushed by a surge in exports and rising personal consumption, the commerce department reported yesterday.

Gross domestic product grew at an estimated annual rate of 4.7 per cent in real terms in the last three months of 1996, bouncing back from 2.1 per cent in the third quarter. For 1996 as a whole, growth was 2.5 per cent, a little above what most economists estimate to be the economy's long-run potential growth rate.

The report emphasised the continuing weakness of domes-

tic prices. The price deflator, the main measure of inflation derived from the GDP figures, rose by 1.8 per cent in 1996, the slowest annual rate for more than 30 years.

News of the rapid growth failed to dent Wall Street's enthusiasm. Investors took heart that domestic demand grew moderately and that the price deflator remained firmly under control. In early afternoon trading the Dow Jones industrial average was up 43.87 points at 5,887.73. Bond prices edged down immediately after the release of the figures but rallied later.

Mr Bill Daley, the commerce secretary, said the report demonstrated the US economy was again the world's locomotive.

"It is hard to imagine an improvement on the results we have reported today. Growth is up but inflation is not."

The figures come ahead of the Federal Reserve's open market committee meeting next week, its first opportunity to review monetary policy this year. The benign scenario of steady growth with low inflation appears to provide no convincing case for a tightening of monetary policy, and money markets were expecting no change at the meeting on Tuesday and Wednesday.

Much of the GDP growth came from strong demand for US exports, which has no

Continued on Page 24
 World stocks, Page 19

STOCK MARKET INDICES

FTSE 100:	4,275.8	(+47.4)	UK Yield:	5.6%	EUROPEAN LUNCHTIME RATES	EU STERLING	EU DOLLAR
Yield:	5.62		3-mth Bills Yld:	5.145%	New York luncheon	DM 1.6525	New York close
UK News:	4		Long Bond:	9.6%	S 1.3998	FFr 5.5915	DM 1.6525
Cordant:	5		Yield:	6.782%	£ 1.625	SEK 1.428	FFr 5.5915
Nikel:	10,320.01	(+40.97)	DM:	1.6025 (1.6145)	Y 121.425	Y 121.425	DM 1.6024 (2.6465)
New York Amex:			DM:	1.6224 (2.6465)	London:	1.6227 (1.6394)	London:
Dow Jones Ind Ave:	8,007.35	(+45.6)	FFr:	8.8882 (8.923)	FFr 5.5927 (5.5331)	Y 121.425 (1.6224)	FFr 5.5927 (5.5331)
S & P Composite:	711.0	(+6.02)	SEK:	8.2007 (2.3005)	SEK 1.4282 (1.4282)	Y 121.425 (1.6224)	SEK 1.4282 (1.4282)

■ LONDON MONEY ■ GOLD ■ NEW YORK COMEX (Feb.) \$344.95 (348.2) ■ INDEX 95.4 (95.2) ■ S INDEX 102.0 (102.1) ■ TOKYO CLOSE Y 122.1

■ 3-mo Interbank: 6.1% (same) ■ London: £144.15 (847.19) ■ London: 5.6% (102.1) ■ Tokyo Close: Y 122.1

LONDON: LIBOR

■ 3-mo Interbank: 6.1% (same) ■ London: £144.15 (847.19) ■ London: 5.6% (102.1) ■ Tokyo Close: Y 122.1

LIBOR: 5.6% (102.1) ■ TOKYO: Y 122.1

LIBOR

NEWS: EUROPE

Rivals eye goal of Strasbourg football club

By Jimmy Burns in London
and Andrew Jack in Paris

Rival consortia involving the International Management Group of sports entrepreneur Mr Mark McCormack and Saatchi & Saatchi, the UK-based advertising agency, are bidding to take control of the French football club Strasbourg.

The two groups, together with a third led by Mr Roland Weller, the president of the club, have each been approved as candidates for the purchase of the 49 per cent of the shares which are currently held by the city authorities.

The bids for Strasbourg represent a significant "market" development for the traditionally highly-protected French football industry. French clubs have previously been run as non-profit-making companies with participation from local authorities.

Under a strategy plan mapped out recently by the local authorities, Strasbourg football club will take on a new corporate identity by the middle of this month, with majority shares held by entrepreneurs with the expectation that it may eventually be floated on the Paris stock exchange.

Mr Robert Herrmann, Strasbourg's deputy mayor for sport, yesterday confirmed the identity of the bidders and said a choice would be made among other factors on the assurance that the successful bidder would maintain a long-term presence for football in the area. He said the local club was financially healthy, with more than FF30m (£5.4m) in reserves and regular profits, and was run with "tight management" and a supervisory board.

However, he said the decision to sell the city's stake reflected a belief that "the taxpayer should no longer support football" and that French law should be modified so football clubs could turn into for-profit companies as in the UK. He said Strasbourg would remain owner of the stadium in which the football teams play.

The bidders have until the start of next week to provide written assurances to support questions they received during hearings last Tuesday by a five-person panel set up to judge the candidatures.

Mr Patrick Proulx, IMG's senior international vice president with responsibility for France, said last night: "Strasbourg is one of the

Europe's main administrative cities and deserves to have a club worthy of playing among the best in Europe's number one sport."

According to Strasbourg city officials, Saatchi & Saatchi forms part of a consortium which includes the club's former president, Mr Jean Wendeling.

Mr Alex Sandberg, spokesman for Cordiant, the marketing services group which owns Saatchi & Saatchi, confirmed that the advertising agency was considering an unprecedented involvement in the growing business of European football.

Kohl urges all-party effort for jobless

By Ralph Atkins in Bonn

Germany's Chancellor Helmut Kohl appealed yesterday for cross-party support for a package of measures to tackle the country's rising unemployment, which threatens next week to set another post-war record.

In an address to the Bundestag, the lower house of parliament, Mr Kohl predicted the upward unemployment trend would be reversed later this year. But even the expected average level for 1997 of 4.1% "can be acceptable to no-one".

Figures to be published next Thursday are widely expected to show headline unemployment for January above last February's record 4.2%, with the impact of a severe winter continuing to feed through. Seasonally adjusted figures are also expected to show a large jump to a new high.

In the same debate, Mr Theo Waigel, finance minister, offered to bring forward by one year recently unveiled plans for big tax cuts due to be implemented in 1998 - provided the rival Social Democratic party agreed to end its "blockade politics" in the opposition-dominated upper house of parliament, the Bundesrat.

Mr Kohl's comments came after fierce infighting within the ruling coalition in Bonn over the proposed tax and social security reforms. Mr Norbert Blüm, labour minister and architect of planned changes to the state pension system, has hinted he might resign if he does not win his battle to finance some state benefits through a rise in value added tax.

It was an emotional visit. The former Soviet dissident, who achieved fame as a dogged human rights campaigner, clearly felt the warm tug of his homeland even as he toured the chilling cells of Lefortovo prison, which he described as his "alma mater".

As Israel's trade and industry minister, Mr Sharansky brought with him 60 executives eager to explore a receptive new export market. Trade between the two countries has grown from next to nothing in Soviet times to \$500m a year.

Some of Russia's most successful home-grown capitalists also happen to be leading Jewish businessmen keen to develop closer ties with Israel. Mr Boris Berezovsky, who used to run the Logovaz car trading and media empire, is perhaps the most prominent - and controversial - among them.

In the furor that surrounded his appointment as deputy head of the security council last year, it even emerged that Mr Berezovsky possessed an Israeli passport - which he has since renounced.

Mr Sharansky's trip was also designed to pave the way for a forthcoming visit by Mr Benjamin Netanyahu,

Commission to delay hours ruling

By Robert Corzine in London and Caroline Southey in Brussels

The European Commission is set to delay publishing details on extending the 48-hour week to 9am workers until after the British general election, to avoid a fresh row between London and Brussels over the sensitive issue of EU social policy.

Confirmation of the delay comes as EU industry steps up its campaign against the directive being extended to most workers in sectors now excluded, such as in transport and the offshore oil industry.

EU officials confirmed the Commission would not meet its March deadline for tabling proposals on extending the 48-hour week directive to eight new sectors. EU diplomats believe the delay is deliberate, as the Commission does not want to act during a British election.

Commission officials stressed that no decision had been made to delay the publication date but that it was increasingly likely because of deep divisions within the commission. The issue of which workers should be included in the new directive has pitted officials in the social services department against those representing the transport and oil sectors as well as small businesses.

The working time directive obliges EU members to introduce laws giving workers mandatory rest breaks, a minimum daily rest period of 11 hours, at least one day off a week, no more than eight hours a shift on average for night work and four weeks' annual paid holiday.

EU transport and offshore oil industries are strongly opposed to Commission plans, pointing out that working patterns in these sectors do not fit the standard 9am-to-5pm working day.

The UK's multi-billion-pound offshore industry has argued it would be one of the worst hit if most of its workers were brought under the new law. It would require radical changes to offshore manning levels that could cost the industry £500m-£100m (£80m-\$160m) a year.

Such changes would also raise safety issues, as North Sea platforms would have to be modified to house additional workers. It would also mean many more helicopter flights, statistically the most dangerous part of offshore operations.

French transport companies have also lodged complaints, fearful that a new directive would undermine a deal on working time with hauliers that ended a bitter strike last year.

Brussels to clarify stance on deficits

By Lionel Barber in Brussels

The European Commission will publish guidelines on Monday attempting to clarify when governments can use creative accounting to reduce their public deficits in order to qualify for economic and monetary union.

Statisticians from the 15 EU member states were finalising a draft of the report at a meeting in Luxembourg yesterday.

Their recommendations will be passed to Eurostat, the agency which handles statistics for the European Commission.

National statisticians are said to be unhappy about political pressures to influence their conclusions. Commission officials stressed again yesterday that Eurostat is an independent professional body whose work conforms with internationally accepted accounting procedures.

Last year, a row erupted over Eurostat's favourable verdict on a one-off, anomalous FFr37.5bn (£6.75bn) payment from France Telecom to the government covering pensions liabilities amounting to 0.5 per cent of gross domestic product.

Next week's report is understood to cover at least six separate issues which could apply to any individual

country. These include privatisation of state holding companies, zero coupon bonds, private sector financing of public sector infrastructure and treasury operations such as gold sales.

Last year, Belgium sold a large portion of its gold reserves, raising an estimated BFr31bn (£2.4bn) or around 1 per cent of GDP. The money was transferred to the government and used to pay off foreign currency debt. Though this debt-reducing operation is widely viewed as legitimate, some analysts fear it could be used by others to cut deficits.

The Italian government has proposed several changes to the treatment of the debt of state-owned companies such as the national railways. It also seek approval for the treatment of a one-off surcharge on income tax bills known as the Euro Tax, which is expected to raise about 0.5 per cent of GDP.

Financial markets will scrutinise the Commission report to see if the argument over creative accounting is moving in favour of more leniency. A restrictive interpretation would damp what many believe is excessive confidence in a "broad Emu" embracing the southern countries.

Meanwhile, Mr Lee Soo-sung, South Korean prime minister, yesterday indicated Seoul might withhold financing of a \$5bn nuclear reactor project for North Korea unless Taiwan dropped its proposal to ship low-grade nuclear waste to the North. John Burton, Seoul

INTERNATIONAL NEWS DIGEST

NatWest gives up Serbia role

NatWest Markets, the investment banking arm of National Westminster Bank, has abandoned its efforts to help Serbia renegotiate its debts to commercial banks.

NatWest's role as adviser to President Slobodan Milosevic's government has been controversial because of the presence on its board of Mr Douglas Hurd, the former British foreign secretary, and Dame Pauline Neville-Jones, the UK delegate at the Dayton peace talks.

NatWest said it had taken on an advisory role at a time when Mr Milosevic was committed to an economic programme built on liberalisation and privatisation.

"Obviously recent actions show a move away from that commitment. As a result, we have indicated to the government that it is not possible to progress the work on a debt settlement," a NatWest executive said.

Debt negotiations have been complicated by disputes over how much of the debt of the former Yugoslavia should be borne by each of its now divided republics.

Guy Darmare, Belgrade, and George Graham, London

North Korea rejects meeting

North Korea yesterday said it would not attend a briefing with the US and South Korea on proposed peace talks until it had been guaranteed the supply of 500,000 tonnes of grain from the US to feed its starving population. North Korea had been scheduled to attend the briefing next week in New York, which would have been its first official contact with South Korea in more than two years.

But negotiations with Cargill, the US agricultural trading company, on harder terms for the grain shipment broke down last week. North Korea suggested that it had earlier agreed to attend the briefing in return for the grain supplies.

Meanwhile, Mr Lee Soo-sung, South Korean prime minister, yesterday indicated Seoul might withhold financing of a \$5bn nuclear reactor project for North Korea unless Taiwan dropped its proposal to ship low-grade nuclear waste to the North. John Burton, Seoul

French probe Jewish property

Three provincial French cities are considering setting up commissions to examine if they still control property confiscated from Jewish owners during the second world war. The mayors of Strasbourg, Toulouse and Lyons have agreed to consider proposals made in early November last year by the Simon Wiesenthal Centre, which acted after revelations that such property was controlled by the city of Paris.

Aix-en-Provence, Marseilles and Bordeaux - where Mr Alain Juppé, the prime minister, is also mayor - have not responded, and nor has Paris. Bordeaux's lack of a response seems strange since Mr Juppé last Saturday announced plans for a commission to consider the question of Jewish assets seized during the war under the Vichy regime.

Andrew Jack in Paris

HK exchange chief quits

Mr Herbert Hui, deputy chief executive of the Hong Kong stock exchange, is stepping down after eight years to return to the private sector. His resignation, which takes effect from the end of April, is the second top-level departure at the exchange. Mr Paul Chow, chief executive, left yesterday after saying he would quit last July.

The departures come at a politically sensitive time, as Hong Kong prepares to revert to Chinese sovereignty in July. The handover has stimulated a flurry of corporate activity, both share ownership restructurings and fund-raising exercises designed to capitalise on an expected surge of liquidity from the mainland.

Mr Hui and Mr Chow had clashed in the past, and a number of industry figures predicted Mr Hui would quit when he failed to secure the chief executive slot - which went instead to Mr Alec Tsui, also a deputy chief executive.

Louise Lucas, Hong Kong

Spain's single currency boost

Spain's hopes of meeting the conditions for the European single currency were bolstered yesterday by official figures showing the central government's budget deficit came within the target figure last year. The deficit, calculated on the terms used for the Maastricht monetary union criteria, fell from a revised 5.4 per cent of gross domestic product in 1995 to 3.3 per cent. This was below the 3.5 per cent government objective for the year.

The centre-right administration wants this figure down to 2.5 per cent this year in the hope of keeping the overall public sector deficit, including regional governments and social security, at 3 per cent, the qualification level for joining the euro.

David White, Madrid

Belgian minister retires

Mr Philippe Maystadt, Belgium's long-serving finance minister, is to give up his post in 1998, the launch date for economic and monetary union, he announced yesterday. His departure is planned to coincide with Belgium's bid to be among the founder members of Emu.

Lionel Barber, Brussels

Drug dealer gets 11 life terms

A US judge yesterday sentenced drug trafficker Mr Juan Garcia Abrego to life in prison without parole and ordered him to pay close to half a billion dollars in fines and forfeitures. Mr Garcia Abrego received a total of 11 life sentences and nine 20-year sentences, all to be served concurrently. He was convicted in October on charges of drug-trafficking, money laundering and bribery by a Houston federal jury. In addition, US District Judge Ewing Werlein fined him \$128m (£78m) and ordered him to forfeit \$350m in illicit proceeds. However, his assets, mostly in Mexico, may prove difficult to recover.

Before his capture in January 1996 in the northern Mexican city of Monterrey, Mr Garcia Abrego was one of the world's biggest drug traffickers and had been placed on the FBI's 10 Most Wanted list. His Gulf cartel shipped billions of dollars of cocaine and marijuana to the US, from the 1970s, drug agents said.

Reuter, Houston

ECONOMIC WATCH

Unemployment falls in France

French unemployment edged down in December, providing another small measure of encouragement to the hard-pressed government of Mr Alain Juppé, the prime minister, after a year that has brought a fall in interest rates and signs of mounting business confidence.

Figures released yesterday by the labour ministry put the jobless total at 3.09m, a fall of 29,000 or 0.9 per cent, more than cancelling out November's 0.7 per cent increase. The unemployment rate remained around 12.7 per cent - a post-war record, and a full percentage point higher than a year ago. Analysts said the overall trend in unemployment was still upwards.

Yesterday's figures came as Mr Gilles de Robien, president of the centre-right UDF, the junior partner in France's ruling coalition, made a strongly worded call for what he termed the "battle for jobs" to be stepped up. He urged "technocrats" to start concentrating less on stock market quotations and more on the unemployment rate.

Mr de Robien last year introduced a law providing tax exemptions for companies shifting employees to part-time working. The government is considering reducing its scope because it has proved so popular that it could become financially insupportable.

David Owen, Paris

Four others arrested over 1995 murder of founder's grandson

Ex-wife held for Gucci killing

By Robert Graham in Rome

The turbulent history of the Gucci family, creators of the world famous leather goods company, took a new turn yesterday when a former wife was charged with the 1995 murder of Maurizio Gucci, the founder's grandson.

Police arrested Ms Patricia Reggiani at dawn in her Milan apartment. Four other arrests were also made - two men allegedly hired as assassins for £500m (\$315,000), a hotel porter who acted as intermediary and Ms Reggiani's personal fortune teller.

When asked if she knew why she was being arrested, the 49-year-old former wife is reported to have calmly replied: "Yes, for the death of my husband."

Maurizio Gucci was shot by a lone gunman two years ago just as he was entering his office building in the heart of Milan.

In spite of an enormous police opera-

tion and a belief that the murder was a settling of accounts, the investigation appeared to go cold quickly. A break only came in the past month, reportedly from one of the alleged hired gunmen, who was in prison on drugs charges.

Maurizio Gucci had seen a stormy career in the family business, ending up by quarrelling with almost every relative close and distant in his attempt to control the group. On several occasions he fell foul of the law, obliging him to move to Switzerland and take up residence in St Moritz.

He severed all links with the family business in September 1993 when his 50 per cent stake in Gucci was sold to investor, the Bahrain-based merchant bank, for \$170m. Although he had run up sizeable debts before his sell-out, he is believed to have walked away from the deal a wealthy man.

He married Ms Reggiani in 1973 and

they had two children but were separated in 1984 and later divorced.

A few hours after Mr Gucci's murder, she appeared with a lawyer at his Milan flat (where she was yesterday arrested) demanding that her former husband's companion of four years move out. She attended his funeral in spite of resentment from some family members.

Mr Patrizio Gucci, a relative of Maurizio, interviewed yesterday on television, was asked whether Maurizio had left enough money to provoke a murder, replied: "Yes, I think so."

Ms Giuseppina Aurummo, the Neapolitan fortune teller who was arrested yesterday, had been known to the couple for more than 10 years. At one stage she had run a Gucci concession in Naples. In Milanese circles she had a reputation for paranormal powers.

Perched precariously, Page 9

Energy Department accused of failing to meet its obligations on storage

US nuclear waste dispute intensifies

By Bruce Clark
in Washington

nuclear waste - now kept in underwater storage pools which are almost full - from January 1998.

The department has indicated it will not have the capacity to do this, and it has also warned that a long-nosed underground storage site in Nevada, for the country's entire stock of nuclear waste, will not be built until 2010 at the earliest.

Yesterday's move will intensify the political pressure put on the administration to soften its opposition to the idea of a temporary storage site, also in Nevada, which has won strong support in Congress.

The department's

which has already gathered about \$12bn, and put the money into an escrow account instead.

The department's record in the management of nuclear waste is only one of a string of controversies that Mr Federico Peña, the new energy secretary designate, will have to tackle if his appointment is confirmed.

At a nomination hearing this week, Senator Frank Murkowski, the energy committee chairman, commented caustically on Mr Peña's lack of expertise in the field but promised that Congress was willing to give him a chance.

"A little ignorance is not necessarily a bad thing,"

said Mr Murkowski, an Alaska Republican. "It's been said that when you don't have an education, you are forced to use your brain," he told Mr Peña, a former transport secretary and the senior Hispanic member of the Clinton team.

Questioned closely about the idea of a long-term waste storage site in Nevada, Mr Peña told the committee that feasibility studies were continuing but he could see no "show-stoppers" to prevent the project going ahead.

Senator John Glenn, an Ohio Democrat, this week released a list of \$500m worth of property which he said had been lost by the Energy Department over the past decade.

Apart from managing nuclear materials, both civil and military, in the US, the department has been heavily involved in trying to tackle the far more serious problem of nuclear waste in the former Soviet Union.

However several prominent Republicans have questioned the need for the department to exist.

The Nuclear Energy Institute, which speaks for nuclear utilities but is not involved in yesterday's court action, said the legal move was "understandable", given that "the government has failed on all counts to meet its obligations."

Vietnamese to be executed for corruption

By Jeremy Grant in Hanoi

and deter foreign investment.

Last week, the 18-member politburo issued new ethical guidelines for Communist party members. They included a clause demanding that all government officials disclose their assets. Any state or military official found guilty of defrauding \$27,000 or more would be executed or jailed for life.

However, some say that passing tougher laws misses the point. Curbing corruption will only be achieved by radically reforming Vietnam's corporate economic structure, they say. This is dominated by hundreds of state-owned companies and virtually no financial accountability, in an environment where patronage is rife.

One party member urged the leadership to clarify the ownership of state companies if it wanted to stop unscrupulous officials embezzling company assets. "Sentencing Phuoc to death will only be achieved by radically reforming Vietnam's corporate economic structure, they say. This is dominated by hundreds of state-owned companies and virtually no financial accountability, in an environment where patronage is rife.

The four to be executed included Mr Pham Huy Phuoc, former head of a Communist party business unit called Tamexco, was found guilty of embezzling bank loans. The court heard that he had bought his mistress a \$200,000 villa in Ho Chi Minh City and gambled away company funds.

The 16 other accused were sent to prison, many for life. Among them was the former head of Vietcombank, the country's largest state-owned bank, and a former chairman of FirstVina, a joint venture bank involving South Korea's Daewoo Group.

Last night, Vietnamese television showed the four condemned men, dressed in sandals and blue pyjamas, being handcuffed and led to police vans. Hundreds of onlookers crowded a car park in front of the French colonial courthouse, listening to the verdict being read out on speakers.

Rapid economic growth has made millionaires of some Vietnamese businessmen, often exploiting loopholes in rudimentary laws and milking political connections for personal gain.

That has alarmed the Communist leadership, which appears determined to root out graft, which threatens to erode its legitimacy.

South Korea asks banks to provide \$1.2bn to save steel mill

By John Burton in Seoul

The South Korean government is to ask banks to lend another Won1.000bn (\$1.2bn) to complete the construction of a giant steel mill that led to the collapse of the Hanbo group.

The Won6,000bn mill, which will produce at least 6m tonnes of steel, will be sold or nationalised once it is completed by the end of the year. This will enable banks and other financial institutions to recover some of their Won5,000bn loans to Hanbo, which filed for bankruptcy this week.

Officials said the action was necessary to stabilise the economy, although the

steel mill is regarded by some as a "white elephant" industrial project that will contribute to a production glut amid sluggish demand for steel.

Mr Kim Young-sam, the South Korean president, said the collapse of Hanbo underscored the need for the reform of the banking sector.

The government has blamed corrupt bank officials for excessive lending to the financially shaky Hanbo group, while the opposition claims that Mr Kim's administration pressed the banks to make loans in return for political donations from Hanbo.

The government is likely to accelerate plans for bank



President Kim Young Sam, second left, and officials pay respects to the flag before discussing the Hanbo collapse

records over the past week.

The official probe of Hanbo has been dogged by political controversy over the impartiality of the investigation. The opposition parties believe that the government is forcing prosecutors to concentrate their case on bank executives and avoid implicating ruling party politicians ahead of a presidential election in December.

A planned bipartisan parliamentary investigation of the Hanbo affair has been delayed by a dispute between government and opposition MPs over its procedures. The government has rejected an opposition demand for the appointment of an independent prosecutor.

NEWS: DAVOS SUMMIT

Basis of rapprochement between the countries 'still fragile', says professor

US military stance in Asia irks China

China yesterday expressed concern about recent US moves to strengthen its military arrangements with Japan and other leading allies in Asia and said the policy was creating uncertainties about security in the region.

The warning was conveyed by Professor Yuan Ming, director of International Relations at Beijing University.

She also attacked the US over its role in the Korean and Vietnam wars and

demic posts in the US and Britain, emphasised that her remarks reflected official attitudes in Beijing and did not necessarily correspond with her own views.

She said China understood why other Asian countries wanted the US to keep a strong military presence in the region, but that there were still quite a lot of suspicions in Beijing about the policy.

She said people at all levels in China were asking what US engagement in Asia

meant and why Washington wanted to strengthen alliances there. "With all these suspicions in mind, we cannot be too optimistic," she said.

While she welcomed recent efforts to improve relations between the US and Beijing, including the agreement by President Bill Clinton and President Jiang Zemin to exchange state visits, she said the basis of their rapprochement was "still fragile".

She hoped it would produce closer co-operation, but said there was still a risk that US-China relations would be torn by conflicts over trade and human rights and might even deteriorate into the "horror scenario of a clash of civilisations".

Congressman Douglas Bereuter, Republican chairman of the House of Representatives' sub-committee on Asia Pacific affairs, emphasised that the US was firmly committed to maintaining a sizeable military presence in Asia.

Guy de Jonquieres

Supplies of energy safe for 50 years

The next energy crisis is unlikely to occur within 50 years, a senior British businessman said yesterday.

Mr John Baker, chairman of National Power, Britain's biggest electricity producer, said the problems of finding fresh energy resources were unlikely to become an issue until 2050.

Mr Baker, speaking at a seminar sponsored by Price Waterhouse, said concerns about the security of energy supplies, which had been common in the 1970s and 1980s, were a thing of the past.

The world had never felt more relaxed about the security of energy supplies and this was having a big impact on the structure of the power industry.

Fears of energy shortages had been a driving force in shaping the industry in the past. However, these concerns had receded. Governments no longer felt the need to own the electricity industry for example, and this was encouraging more and more of the industry to be privatised.

Another factor reshaping the British electricity industry in particular was the switch to gas as a fuel. From

nowhere six years ago gas was likely to provide more than half of the fuel for electricity production by 2010.

Apart from plentiful supplies of gas, big improvements in gas turbine technology combined with the increasing efficiency of very small power stations was leading to a dramatic change in the structure of Britain's electricity industry.

At the same time the use of coal in UK power generation, which had been running at 100m tonnes a year, would drop to 10-20m tonnes by 2010.

Mr Baker, whose company is Britain's biggest operator of renewable energy, does not expect this sector to challenge fossil fuels over the next 50 years. At present 2 per cent of energy came from new renewable resources such as wind and sun. The percentage could rise to between 6 and 8 per cent by 2050, said Mr Baker.

This would still be a very small percentage given that 10 per cent of the world's energy is currently provided by "old" renewable energy sources such as wood and animal dung.

Mr Alexander Shokhin, first deputy chairman of the Russian Duma, the parlia-

Russia expects economic growth of 5-6% by 2000

The Russian economy should be capable of 5-6 per cent growth by the year 2000, Russia's economic minister, Mr Yevgeny Yasin, said in Davos yesterday. However, this depended crucially on a number of reforms, without which Russia was threatened by long-term recession.

Mr Yasin said government spending must be cut from its level of 39 per cent of GDP last year. "A government with a healthy economy can afford that," he said. "One in a state of crisis like ours must stick in a range of 25-30 per cent."

He said cuts would come in social spending, with housing subsidies from local authorities to be phased out by the year 2000. There would also be further cuts in defence spending, and increased restructuring of natural monopolies.

He said: "Our analysis has shown that if, over the next two to three years, we can implement these reforms, that will allow us to reduce the tax burden. That will in turn allow interest rates to be no more than 5-7 per cent above inflation." He said he hoped inflation would also fall to 5-7 per cent by 2000.

Mr Shokhin said it might



Russian premier Victor Chernomyrdin: expects foreign investment to surge

be possible to cut profits tax on corporations by up to two thirds for those which adopted international accounting standards. But disagreements in the Duma on tax reform might make it necessary to introduce a temporary tax which would be easier to collect.

Responding to questions on discrimination against foreign investment, he said the Duma would shortly discuss drawing up an exhaustive list of sectors barred to foreign investors. He claimed the list was largely based on US practice, and

was designed to assist foreign investment.

Mr Dmitri Vasilev, chair-

man of the federal commis-

sion for the securities mar-

ket, said the strength of the

Russian stock market, which

has doubled in the past year,

should be sustainable.

He said a survey of 200

fund managers specialising

in emerging markets had

shown confidence in Russia

rising sharply, with 66 per

cent of UK fund managers

prepared to invest, against

80 per cent a year earlier.

Tony Jackson

Cybermoney gains currency, past and future

The future of cybermoney, it seems from Davos, is up for grabs; that is, if anyone can define it.

According to some speakers here, it has been around for a quarter-century without anyone noticing. Others say it is the wave of the future and spells the doom of the commercial banking system.

Mr Ed Jensen, president and chief executive officer of the credit card group Visa International, said his company had operated a global electronic network since its foundation 25 years ago.

So-called e-money, he said, was already around in the form of credit cards and ATMs. Beyond that, it was scarcely defined. "Would you save e-money?" he asked. "Would you have e-money denominated investments?"

From the point of view of consumers, what's wrong with existing currencies? E-money will be used for small payments, like cash is now. It's very unlikely it will go direct from wallet to wallet."

Others were less sure.

Tony Jackson

US labour chief's backlash warning

Mr John Sweeney, US union leader, warned corporate executives yesterday that the chase after profits at the expense of worker salaries and social protection would bring a destructive worldwide backlash, Reuter reports from Davos.

Experience in the US had shown that companies "downsizing" their workforce and slashing benefits ended up in worse shape than they had started, he said.

Debate at the annual meeting of business and political leaders seemed based on assumption of contradiction between competitiveness and measures that made

working families secure, such as good wages, health care and strong unions".

"This assumption may be the fastest growing export of what is called the US model," said Mr Sweeney, president of the AFL-CIO labour grouping. "But I am here to warn you. With all due respect, it is a highly costly, very toxic export, dangerous to the health and welfare of working people and national economies across the world."

Examples were strife over Korea's new labour law, popular support for French public service workers resisting spending cuts, and Argentina's recent general strike.

William Hall

NEWS: UK

The recent strength of the pound appears to have subsided, to the relief of exporters

Sterling slides as rate rise is ruled out

By Graham Bowley,
Economics Staff

The pound fell sharply yesterday as more traders ruled out another rise in interest rates before the general election.

Interest rates are expected to stay unchanged next week after Mr Kenneth Clarke, the chancellor, sees Mr Eddie George, governor of the Bank of England, the UK central bank, for their regular monthly meeting to set monetary policy.

Sterling fell further, 22 pence against the D-Mark to DM2.6244, down at the end of the second consecutive week in a row of volatile trading. The pound has now dropped about 9 pence from its peak of DM2.7138 on January 22.

Against the dollar, the pound rose to levels not seen since its 1982 ejection from the European exchange rate mechanism, as speculation

December peak of \$1.7113.

The pound's further decline suggests sterling's recent strength may be over and could bring relief to UK exporters who have been complaining that the currency's sharp rise in the second half of last year had hit exports.

Mr George is again expected to repeat his calls for higher rates when he meets Mr Clarke. At their December meeting, Mr George said strong growth in consumer

spending and rapid expansion of the money supply meant rates should rise by a half point in the first few months of this year, the Bank's minutes showed this week.

However, Mr Clarke believes the economy can grow for some months yet before inflationary pressures build and point to a rate rise.

Mr Gordon Brown, of the opposition Labour party and the shadow chancellor, said enough to stem inflation.

yesterday that the present pattern of economic growth was unbalanced. "There is now a growing unease that in the present cycle we are in danger of repeating the pattern seen in previous recoveries - that we have, essentially, an unbalanced recovery," he said.

On a trade-weighted basis, the pound slipped from 95.2 to 94.4. It had dropped to a low of DM2.6144 more than 3 pence down on the day.

Election jitters take the edge off gilts

Political uncertainty has forced government to offer a higher rate of interest on bonds

Worries over the timing and outcome of the UK general election are behind a reluctance to buy gilts - gilt-edged or government-backed securities - forcing the government to offer a higher rate of interest to attract investors, City of London economists are claiming.

A number of concerns has unsettled the market, according to analysts. Among them are fear of government by the main opposition Labour party; the possibility of a hung parliament, in which no party has an absolute voting majority; fears that government policy is not bearing down on inflation; and political relations with the European Union.

The market has accepted the possibility the UK will not be in the first wave of European monetary union, and short-term worries over

inflation have evaporated, leaving politics as the "unambiguous" reason behind gilts' performance, according to Mr Julian Jessop, an economist at Nikko Europa bank in London.

Since the start of 1997, gilt

prices have been flat, while other UK markets - equities, sterling and interest rate futures - have reacted strongly to declining expectations of an imminent rise in domestic interest rates.

When January's policy meeting between Mr Kenneth Clarke, chief finance minister, and Mr Eddie George, governor of the Bank of England, the UK central bank, produced no base rate increase, many analysts expected gilt prices to benefit, as other markets had. Instead, gilts have been outperformed by both US and European bond markets.

Political turmoil usually

hurts gilt prices. Before the last general election in 1992, when the market was also anticipating a Labour victory, the price of a 10-year benchmark gilt dipped to just above 90. After the Conservative victory prices rapidly rebounded to 101.

Most City analysts are predicting a rush to buy gilts after the election in the event of either Labour or the Conservatives winning a clear majority.

"Unless there's a hung parliament, gilts will sharply rally after the election," Mr Jessop said. "At the moment there is added uncertainty - [we] don't know when the election is going to be held."

Mr Graham McDevitt, bonds strategist at Paribas Capital Markets in London, said: "We've got a political situation that's quite unstable. They [the Conservatives, the ruling party] are trying to hang on by the skin of their teeth."

Mr Jessop believed it was UK-based investors, rather than overseas buyers, who were holding back gilts prices. "There are some concerns over a Labour victory - but it's a domestic phenomenon rather than an overseas phenomenon.

For domestic buyers, there could be fears over increased tax under a Labour government on high-income earners, such as City managers.

"People in the market see the market from a personal point of view, as well as institutional investors," Mr Jessop added. "Certain aspects of the City don't want Labour to win for personal reasons. That may be clouding their judgment."

Mr Philip Shaw, chief economist at Union Discount, reiterated the view that electoral uncertainty was "still a restraining factor", but said US inflation was also a concern.

Union Discount was expecting the difference in yield - the theoretical annual return assuming interest is reinvested - of gilts compared with German government bonds, or bunds, to fall from its current level of 1.9 percentage points to 1 point by mid-1998 if Labour gains a stable majority.

"It depends on how Labour

performs. If Labour is much tougher on inflation, then we might see the spread over bonds go much lower than that," Mr Shaw said.

Mr Don Smith, an economist at HSBC Markets in London, said overseas gilt buyers were more concerned about the UK's relations with Europe, especially over monetary union.

"From an overseas point of view, investors weigh up the UK market in the context of Europe. The perception is that Labour's closer to Europe, and that's a good thing for the gilt market."

Richard Adams

Cable shares fall on digital move

By Raymond Snoddy

Shares in cable companies fell yesterday when rival consortia submitted bids for the UK's digital terrestrial television licences, once regarded as an elegant but marginal technology in the world of multi-channel broadcasting.

Carlton Communications, British Sky Broadcasting and the Granada Group submitted a consortium bid for

"multiplexes", or blocks of digital frequencies.

The consortium, British Digital Broadcasting, is opposed by Digital Television Network, a company owned by International CableTel, the US cable and communications group which also owns NTL, the old transmitter and engineering arm of the Independent Broadcasting Authority.

Shares fell when it became clear that there were serious bidders for the DTT

licences. Nynex TeleComms, which is becoming part of Cable & Wireless Communications, lost more than 12 per cent of its value and fell 14% to 99.4p. Telewest fell 11p to 117p and General Cable dropped 13p to 176p. By contrast Carlton rose 35p to 558p, Granada 15% to 891 and BSkyB 8% to 599p. BSkyB will launch 200 channels of digital satellite television this year and could now get an additional boost from its one-third ownership of BDT.

Minister scorns Scottish party's EU aspirations

By James Buxton
in Edinburgh

An independent Scotland would not qualify for membership of European monetary union and for that reason alone would not be allowed to join the European Union. Mr Michael Forsyth, chief minister for Scotland in the British government has claimed in an attack on the Scottish National party.

Mr Forsyth accused the SNP, which campaigns for an independent Scotland and separate Scottish membership of the EU, of wanting to surrender Scotland's sovereignty to Brussels. Scotland, which was an independent kingdom until the 17th century, is now part of the UK and is governed from Parliament at Westminster.

Mr Forsyth's attack is significant because the nationalists lead the Conservatives in Scottish opinion polls, and had 23 per cent support compared with the Conservatives' 19 per cent in an ICM poll last month. The next general election is expected to be held on May 1.

The SNP, which won only three seats of the 72 Scottish House of Commons seats in

the 1992 general election, hopes to win more from the Conservatives this year, notably the Galloway and Upper Nithsdale seat of Mr Ian Lang, the chief industry minister.

Mr Forsyth said SNP calculations of Scotland's fiscal position if it became independent were based on "creative accounting and sleight of hand". Scotland's budget deficit had in recent years ranged from two times to four times the ceiling of 3 per cent of gross domestic product required for Emu membership, and Emu membership was required of all new EU members.

"The only means by which the deficit could be narrowed is by increasing taxes or cutting public expenditure, but the SNP claim they would do neither," Mr Forsyth said.

Mr Forsyth, who is on the Eurosceptic wing of the Tory party, said there was growing apprehension in Europe about the extent of integration. "Nowhere, other than in [SNP leader] Mr Alec Salmond's overheated imagination, is Brussels seen as an agent for enhanced sovereignty," he said.

The Oft released the results of the study, which it sponsored and which was carried out by Ovum, a London-based consultancy, to support its response to proposals by Oftel, the industry regulator, which would, for the first time, set a cap on the prices BT charges for interconnection.

The Ovum study shows that BT charges 0.78 pence (\$1.13) per minute in the UK for interconnection compared with 1.31p for Ameritech in the US, 1.89p for Telstra in Australia and 3.37p for Telecom New Zealand. Alan Cane

James Blitz

TELECOMMUNICATIONS

BT charges praised in study

The British Telecommunications charges its competitors to use its network are among the lowest in the developed world, a study has shown.

BT released the results of the study, which it sponsored and which was carried out by Ovum, a London-based consultancy, to support its response to proposals by Oftel, the industry regulator, which would, for the first time, set a cap on the prices BT charges for interconnection.

The Ovum study shows that BT charges 0.78 pence (\$1.13) per minute in the UK for interconnection compared with 1.31p for Ameritech in the US, 1.89p for Telstra in Australia and 3.37p for Telecom New Zealand. Alan Cane

James Blitz

Book battle unlikely to be won

Court sees public figures defend 100-year old publishing deal

The High Court in London last week was the setting for an assortment of public figures - including Mr Tom Stoppard, the playwright - to fight what might be an unwinnable battle over a 100-year old publishing agreement.

They went to court to contest the Office of Fair Trading's attempt to have the net book agreement, which prevented booksellers from discounting the price of new books until its collapse last year, declared illegal.

Even if they win, it is highly unlikely that the agreement will come back into force. Although the court is empowered to decide that the agreement is still legally valid, as it did in 1962 when it dismissed a previous OFT attempt to outlaw the pact, it cannot force the book trade to reinstated it.

The net book agreement collapsed in September 1995 when several large UK publishers, and W.H. Smith,

still commands considerable support within the book trade. Mr John Calder, an independent publisher, and Ms Jenny Glazier, chairman of the National Acquisitions Group, an organisation representing a cross section of the publishing industry, decided to defend it against the OFT's legal onslaught.

They persuaded Sir David Steel - former leader of the Liberal Party, and co-founder of its successor the

Liberals Democrats, the UK's main opposition party after Labour - Mr Stoppard, Mr Auberon Waugh, editor of the *Literary Review* magazine, and others to give evidence in the agreement's defense.

They told the court last week that if books were discounted, high quality books could become so expensive that the market for them would contract and fewer would be published.

The OFT has argued that the book market is now less vulnerable to discounting than in 1962 and wants the agreement to be declared void.

The Calder lobby is anxious to maintain the agreement's legality in the hope that the book trade will eventually decide to reintroduce it.

The opposing factions finished giving evidence yesterday and await the court's decision, which is due by the end of February.

Alice Rawsthorn

UK NEWS DIGEST

Government to cut 1,200 jobs

The Home Office, the government department that deals with domestic affairs, is set to cut 1,200 jobs because of the success of a new computer system designed to streamline immigration.

The government said that about 800 administrative posts will be cut during the 1996-1997 financial year, with a further 400 the following year. The job losses will not be restricted to immigration officers, but will be spread across the entire Home Office. Mr Martin Kelcey, secretary for the Home Office branch of the Civil and Public Services Association, the trade union, warned that the moves were "arbitrary and unjustified" and said staff would seriously consider taking industrial action as a result. The new computer system was commissioned last year from Siemens, the German group, under the government's private finance initiative, which seeks to bring private funding to public projects.

Mark Suzman

MALAYSIAN DAM

Company urged to abandon deal

Friends of the Earth, the environmentalist group, yesterday urged the Bucknall Group, believed to be the only British company so far to have won a contract for a slice of Malaysia's controversial Bakun Dam project, to pull out of the deal.

But the company, which yesterday declined to put a figure on the contract, said it saw no reason to "reconsider" its position. "Our role is entirely subsidiary to the major issues being highlighted by environmental groups," it said. Its joint venture's job was to "co-ordinate" the activities of consultants and contractors involved in preparing the site and resettling the estimated 10,000 people who will have to be moved to make way for the dam.

The leading western contractor for the dam project is ABB, the Swiss-Swedish group which has been urged to pull out of the contract by a group of 100 environmental pressure groups.

Leyla Boultton

NORTHERN IRELAND

'Bloody Sunday' factories dispute

Factories in Londonderry in Northern Ireland were briefly disrupted yesterday as Protestants refused to work alongside Roman Catholic employees who were wearing black ribbons to commemorate Bloody Sunday, the day 26 years ago on which 14 unarmed civil rights marchers were killed by British soldiers.

The hardline pro-British Democratic Unionist party said five factories in the area faced interruptions to production as unions and management met to discuss the dispute. The incident is a measure of the community tension as this weekend the Derry area prepares to mark the 25th anniversary of Bloody Sunday. John Murray Brown

EUROPEAN UNION

Lady Thatcher heartens sceptics

Baroness Thatcher, the former Conservative prime minister, yesterday gave her tacit support to a private members' bill which effectively calls for Britain to leave the European Union.

Making a rare appearance in the House of Lords, the unelected upper chamber of parliament, she listened as Tory Eurosceptics spoke in favour of the measure, which would repatriate power from Brussels to Westminster. Lord Pearson's bill would repeal crucial sections of the European Communities Act 1972, under which EU law was made superior to UK legislation. Although it stands no chance of becoming law, it proved to be a rallying point for Eurosceptic peers, and a further illustration of the increasingly anti-European mood throughout the Tory party.

George Parker

GENERAL ELECTION

Premier launches share plan

Mr John Major, the prime minister, yesterday launched a new attempt to put wider share ownership at the heart of the ruling Conservative party's general election manifesto. Reassuring his personal commitment to get more than 50 per cent of the employees of large companies buying shares in those companies by the end of the century, the prime minister announced that the Inland Revenue would be relaxing rules that operate in this area. At the second of his pre-election press conferences at Conservative central office, Mr Major said he would be changing the rules that govern Treasury-approved profit-sharing schemes to make them more attractive for employers to run.

James Blitz

TELECOMMUNICATIONS

BT charges praised in study

The British Telecommunications charges its competitors to use its network are among the lowest in the developed world, a study has shown.

BT released the results of the study, which it sponsored and which was carried out by Ovum, a London-based consultancy, to support its response to proposals by Oftel, the industry regulator, which would, for the first time, set a cap on the prices BT charges for interconnection.

The Ovum study shows that BT charges 0.78 pence (\$1.13) per minute in the UK for interconnection compared with 1.31p for Ameritech in the US, 1.89p for Telstra in Australia and 3.37p for Telecom New Zealand. Alan Cane

James Blitz

Liberals Democrats, the UK's main opposition party after Labour - Mr Stoppard, Mr Auberon Waugh, editor of the *Literary Review* magazine, and others to give evidence in the agreement's defense.

They told the court last week that if books were discounted, high quality books could become so expensive that the market for them would contract and fewer would be published.

The OFT has argued that the book market is now less vulnerable to discounting than in 1962 and wants the agreement to be declared void.

The Calder lobby is anxious to maintain the agreement's legality in the hope that the book trade will eventually decide

COMPANIES AND FINANCE

AMI to open retail malls in Japan

By Gwen Robinson in Tokyo

American Malls International (AMI), the US developer of retail complexes, is moving into the Japanese market, with plans to invest billions of dollars in building and operating a series of American-style shopping malls.

AMI's move is the latest sign of a continuing shake-out in Japan's hitherto heavily regulated retail industry. It aims to exploit growing consumer demand for discounting and western retailing techniques.

AMI's first project will be

to build the country's largest shopping centre, at an estimated cost of about Y60bn (\$353m), said Mr Nick Woffington, AMI's representative in Japan.

The company, an affiliate of US developer Western Development, began studying the Japanese market three years ago. It is now nearing the end of negotiations to purchase about 800,000 sq m of land for a mall in the town of Moriya, about 35km from Tokyo.

Construction was budgeted at about Y20bn, Mr Woffington said. Infrastructure, including roads to the

complex, will require additional expenditure, he added.

The mall will be a combined entertainment and shopping complex, with at least 20 large stores, more than 200 speciality stores, an in-house theme park and cinemas. The targeted market is the northern half of Tokyo and neighbouring cities.

AMI hopes to start building late next year and to complete the project by 2000.

Negotiations are also well advanced to build a similar large-scale mall in the port city of Kobe, which has attracted many big construction projects after the earth-

quake two years ago. The company plans six other large-scale malls over the next 10 years, with at least two more in the vicinity of greater Tokyo.

AMI's move follows the arrival in Japan of US retailers Gap, the clothing company, and Toys R Us, the discount toy retailer. Several American cinema developers have also successfully set up multiplex cinemas in secondary cities.

The Moriya and Kobe malls are AMI's first projects outside the US, where it owns and operates five large-scale malls. Two more are under construction in the US, and the company plans to build a further 17 over the next 10 years.

Japan's large retailers have been hit by slumping sales in the past year, and face a sales tax rise in April from 3 per cent to 5 per cent.

AMI is not concerned. "Japanese consumers are great customers and spend a lot of money," Mr Woffington enthused. "They have a strong appetite for novelty, particularly American-style products and presentation, and we think our concept of a 'retail theme park' will work."

Record fourth quarter for SAP

By Sarah Althaus

in Frankfurt

Shares in SAP, the fast-growing German software group, surged almost 11 per cent yesterday, after a record fourth quarter led to sharply higher-than-expected profits for 1996.

The shares, which had been under heavy pressure since the company issued a profits warning in October, closed DM24 up at DM246.

Many analysts had feared that the company, which is the world's fifth-largest software house, would not meet its revised target set in October of 30 per cent growth in profits, down from 40 per cent forecast early last year.

However, SAP said that "tempestuous" foreign growth in the fourth quarter had helped lift preliminary net profits 40 per cent from DM405m to DM567m (\$346m) for last year.

Sales climbed 38 per cent in the year, from DM2.7bn to DM3.7bn. This beat the group's forecast for a rise of just under 30 per cent. Earnings per share rose from DM4 to DM5.48.

Mr Dietmar Hopp, chairman, said: "In the end we were bang on our original forecasts. The orders that we so badly missed in the third quarter could finally be booked in the fourth."

The fourth quarter produced the best quarterly results in the company's history. Pre-tax profits rose 58 per cent to DM457m and sales climbed 49 per cent to DM1.35bn.

Mr Hopp said: "The planned currency union and [preparations for] the turn of the century have increased interest among companies of all sizes in our products."

A stronger dollar and renewed marketing effort had also contributed to growth.

The SAP chairman was confident for the current year, forecasting an increase in sales of between 25 per cent and 30 per cent. Profits would grow "at the same rate or maybe a tick higher" than sales, he said.

Underlying demand remained strong for R/3, an integrated software package for commercial use that is SAP's chief product. Sales of R/3 climbed 44 per cent in 1996, to DM2.37bn.

Market value: \$9.1bn Main listing: Frankfurt

Historic P/E 54.2
Gross yield (1995) 0.6%
Earnings per share DM5.48
Current share price DM242.5

Share price relative to the Dax index
500
400
300
200
100
0
1993 94 95 96 97
Source: Comshare, Peter

Earnings per share (DM)
5
4
3
2
1
0
1993 94 95 96 97
Source: Comshare, Peter

SAP has established a world leadership in R/3 since it launched it in 1992. Last year it signed on 1,089 new R/3 customers, bringing worldwide installations of the software to more than 9,000.

Total product sales rose 36 per cent to DM2.63bn. Consulting revenues were up 47 per cent and turnover from training increased 36 per cent from a year earlier.

Mr Peter Thilo Häsler, analyst at Vereinsbank Research, said: "Not only were the fourth-quarter results incredible, but the overall share of total sales coming from the product side is spectacular, at about 87 per cent. In the past it has hovered around 70 per cent." Foreign sales contributed 75 per cent of total revenue, up from 69 per cent previously. The Asia-Pacific region registered the strongest growth, up 67 per cent at DM486m.

Mr Marc Rode, analyst at UBS in Frankfurt, said: "SAP's prospects look good. They've got a strong product range, and the financial muscle to invest in research and development. Any suggestion that they are going to lose their leading technological edge is ridiculous."

Random to buy Reed fiction arm

By David Blackwell

George Orwell and Anton Chekhov are among the authors who will be sharing the same publisher as Joan Collins, following an agreement by Reed Elsevier to sell its fiction books division.

The prospective buyer is Random House, the powerful US book publisher that last year lost a court battle with the actress and author in an attempt to recover \$1.2m (£740,000) of advances.

Reed Elsevier, the Anglo-Dutch publishing and information group, said yesterday it had agreed in principle to sell the adult trade division of Reed Books to the UK arm of Random House.

The division includes some of the most famous names in British publishing history including William Heinemann and Secker & Warburg.

Sales from the division are about £20m and it is understood to be trading profitably. Analysts yesterday estimated the price at about the same level as sales.

Random House UK, which has annual sales of about £100m, is an umbrella company for 20 independently

Photo-Me hit by strength of sterling

By Roger Taylor

The UK-based Photo-Me International, the world's largest manufacturer of photo booths, yesterday said the strength of sterling had reduced half-year profits by up to £900,000.

Pre-tax profits dropped 10 per cent to £20.1m on turnover down 11 per cent at £23.3m for the six months to October 31.

Mr Peter Berridge, group managing director, said currency movements had not affected trading.

Taking out the impact of sterling, turnover and operating profit were up 4.6 per cent.

However, the value of non-sterling credits had fallen by £200,000 and up to another £600,000 had been lost on translation of overseas earnings.

Photo-Me has more than 60 per cent of its business outside the UK.

The company confirmed that profits for the year to April 30 would be no higher than those for 1995, which were 22 per cent down on the year before.

The market remained flat, said Mr Berridge, and competitive pressures intense.

In spite of this, the company had maintained its market leading position and improved margins slightly, he added.

The company has responded to the sluggish market by cutting its investment and expansion plans and reducing debt. Capital expenditure has been cut by 42 per cent to £10.1m.

The additional cash has been used to cut debt to £21.1m from £23.2m at the end of April. Gearing fell from 46 per cent to 38 per cent over the period.

Earnings per share fell to 7.45p (8.04p) but the interim dividend is maintained at 1.5p.

The results were in line with analysts' expectations and the shares ended the day unchanged at 12.74p.

COMMENT

In cutting back its capital expenditure programme, Photo-Me has accepted that it is now a low-growth cash-generating business. The decline in margins and profits may now be coming to an end, but there is little prospect of growth. Profits for the April year-end are forecast at £21.3m, giving earnings per share of 8.5p and putting the stock on a forward p/e of 15. This looks expensive.

Southern to return £156m to holders

By Jane Martinson

Southern Electric, the UK power company, has become the second utility in as many days to announce an innovative share restructuring with a plan to return up to £156m to shareholders.

The capital restructuring, involving a share split and consolidation, echoed by Yorkshire Water on Thursday, in avoiding the tax implications of a share buy-back while benefiting all shareholders equally.

Yorkshire Electricity, another UK power group, is also believed to be contemplating returning value to shareholders in this way.

Southern's shares rose 13p to 800p as it revealed that the move had also saved an advance corporation tax bill of about £25m. Mr Ian Merchant, finance director, said: "What we have come up with is something with symmetrical benefits to the company and its shareholders".

The restructuring, devised by SEC Warburg, the investment bank, is particularly useful for companies which are unable to offset ACT

losses against mainstream corporation tax. This affects utilities, which have historically paid little mainstream tax. Several utilities also want to improve their balance sheet efficiency by increasing debt.

Ordinary share buy-backs become less attractive after tax changes introduced in last November's Budget, while special dividends do not avoid ACT liabilities.

The sum to be paid out by Southern represents almost 8 per cent of the utility's issued capital. SEC Warburg has estimated that the restructuring would enhance earnings by between 3-4 per cent in the coming financial year.

Southern was beaten in its takeover battle for Southern Water last year by Scottish Power. Mr Merchant said the group had "no current intention" to make an acquisition.

Gearing, which would have been lower than 15 per cent this March, will go up to 40 per cent.

The scheme, in which Rothschild acted as Southern's financial advisers, has to be agreed at a special shareholder meeting.



Raised hats, raised profits: Michael Mitchell, chief executive (foreground), with Ken Oast, finance director

Mature customer focus lifts Beale

By Joen Gray

Continued focus on the "more affluent and mature customer" helped Beale, the UK department store group, continue its growth record with a 25 per cent increase in underlying full-year pre-tax profits to £2m.

Including an exceptional gain from rate rebates, the pre-tax figure for the year to November 2 came out at £2.47m, against £2.85m when there was a £321,000 exceptional charge for flotation expenses. Turnover was ahead at £55.5m (£46.3m), including £4.8m from acquisitions.

Mr Michael Mitchell, chief

executive, attributed the continued growth to the company being "focused on our particular customer group, the ABC1 40-plus market. The spending power of this sector has stayed up and we concentrate on them rather than trying to be all things to all people".

The group, which operates seven stores in England, was looking for further acquisitions, he said, particularly "old-established department stores in middle England where we can retain their appeal and run them effectively".

The proposed final dividend of 5.75p (4.5p) makes a total of 8.3p (6.7p).

Expanding Fitness First in triple jump

By Jean Marshall

A new club was opened in Southend, Essex, in January and Mr Pearce said the company planned to open two more this month in Derby and Shrewsbury.

Both were expected to be completed in line with budget.

He said that income from the £8m, before expenses, raised at flotation would benefit the 1997 results, while the impact of the capital investment programme would be more fully reflected in 1997-98.

Turnover rose 80 per cent to £3.7m. The shares, which floated at 80p, added 18p yesterday to 138p.

Elektrum to cut debt with placing

By Christopher Bobinski

in Warsaw

Elektrum, a large Polish power and telecommunications producer, is to issue a 550m zloty (\$184m) seven-year convertible bond, the largest convertible bond issue from a Polish company to date.

The company has chosen Merrill Lynch International and the local Pekao banking group to place the bond both at home and abroad.

Two-thirds of the funds raised will go to reduce Elektrum's bank debts and cut financing costs. Mr Andrzej Skowronski, managing director, said yesterday.

The company has chosen

INTERNATIONAL NEWS DIGEST**Stronger sales lift Coca-Cola**

Strong sales at home and overseas helped Coca-Cola, the US soft drink company, to an 18 per cent increase in net profits to \$762m in the fourth quarter. Earnings per share, boosted by the company's stock repurchase programme, rose 19 per cent to 31 cents, in line with analysts' forecasts.

In an upbeat statement, Mr Robert Goizueta, chairman and chief executive, said the company increased sales 8 per cent last year, by 1bn cases to 12.7bn cases. The increase, Mr Goizueta said, was greater than last year's sales in three of the company's top 10 markets combined: the UK, the Philippines and Argentina.

Fourth-quarter volume sales rose 11 per cent, while revenues rose 3 per cent to \$18.5bn, and net profits 17 per cent to \$2.5bn. Earnings per share advanced 19 per cent to \$1.40.

Emerging markets saw large gains. In China volumes rose 10 per cent in the fourth quarter, and in east and central Europe volumes climbed 41 per cent. Coca-Cola also saw big increases in its domestic market, where fourth-quarter volumes rose 5 per cent. The company said that, among big brands, its Sprite lemonade was the fastest growing soft drink in the US last year.

Richard Tomkins, New York

Kvaerner wins \$1bn contract

Kvaerner, the Anglo-Norwegian engineering and construction group, yesterday said it had won a \$1bn order from Statoil for the largest gas production platform to be built in Norway. It said up to 1,000 workers would be employed on the Aasgard project off mid-Norway. It is due to be completed in 2000. "This is the biggest ever single order for Kvaerner's oil and gas division," according to Mr Tore Bergesen, executive vice-president at Kvaerner.

He declined to reveal what profit margin the company expected to make on the floating platform, which will have a daily export capacity of 38m cubic metres of gas and 94,000 barrels of light oil. It will also export 41,000 bpd of oil. The so-called Aasgard B platform, weighing 45,000 tonnes, will be used for production in the Sleipner West field.

Mr Bergesen said Kvaerner would receive staged payments from Statoil, the state-owned Norwegian petroleum group, during construction.

Mr Bergesen said Kvaerner would receive staged payments from Statoil, the state-owned Norwegian petroleum group, during construction.

Axa-UAP sells out of Scor

Axa-UAP, the recently merged French insurance group said yesterday it had sold its entire 7 per cent stake in Scor, the French reinsurance company, for FFr730m (\$146m).

The action follows the sale by the group last week of 2.4 per cent of Paribas, the French banking group, bringing to nearly FFr3.3bn the total asset sales in the past few days following the acquisition of UAP by Axa at the end of last month.

Scor last year opened its capital to a wide range of investors after the decision to wind down a shareholder pact between its principal investors, including

COMPANIES AND FINANCE: UK AND IRELAND

Wm Cook advisers complain to Panel

By Richard Wolfe
and William Lewis

Advisers to William Cook have made a complaint to the Takeover Panel relating to a request that the Department of Trade and Industry investigate it.

The have complained that the request centres on apparent discrepancies between a downbeat trading statement issued by Cook and upbeat financial information to its bankers group staging a £72.8m hos-

tile bid for Cook. Linklaters, lawyers to Cook, are examining whether the request to the DTI represents a breach of confidentiality agreements. NatWest, Cook's advisers, refused to comment.

The row comes as he is attempting to beat Triplex' bid with a higher offer based around a 79.5m management buy-out.

Triplex is examining whether to raise its offer or

month earlier. The DTI yesterday refused to comment.

Mr Andrew Cook, chairman and chief executive of William Cook, denies any inconsistency in his statements to shareholders.

The row comes as he is attempting to beat Triplex' bid with a higher offer based around a 79.5m management buy-out.

Triplex is examining whether to raise its offer or

walk away from the bid. Schroders, advisers to Triplex, refused to deny involvement with any request to the DTI to investigate William Cook.

Mr Cook yesterday received strong support from the backers of his management buy-out bid.

Triplex is examining whether to raise its offer or

tions made it "even more determined" to go ahead. Mr Tim Syder, director of Electra Fleming, said: "We are aware of these allegations and do not give them any credence. We have researched and investigated them and the result is that we are 100 per cent supportive of Andrew Cook."

"We recognise that he is not a shining example on corporate governance but we

have addressed that for the future by reducing his salary and length of service contract, and appointing non-executive directors.

"We regard the allegations as a smear campaign and suspect that they were written by a disgruntled former employee. This is an attempt to destabilise our bid and drive a wedge between the management and the financial backers."

Bidding war looming at life mutual

By Christopher Brown-Humes

A bidding war for Scottish Amicable loomed yesterday after it emerged that the mutual life insurer had received initial approaches from more than half a dozen potential predators.

They include life insurers, building societies and foreign groups.

The frenzied activity was triggered by news that Abbey National, the UK's fifth largest bank, has offered between £1.1bn and £1.4bn for Scottish Amicable. If successful, this would symmete the latter's plans to shed its mutual status ahead of a £1bn-£1.5bn flotation in three to five years.

SBC Warburg, adviser to Scottish Amicable, said: "All of the people who made tentative approaches to us over the last year have reappeared today." But Scottish Amicable stressed: "The only firm proposals we have on the table are our own" and insisted it would not enter serious negotiations until the proposals had been mailed to its 1.1m policyholders in 10 days' time. It continued to reject Abbey's terms.

Commentators said Prudential, Halifax, Commercial Union and National Westminster Bank - which last year lost to Halifax in the bidding for Clerical Medical - were almost certain to be among the interested parties. Foreign companies, including Aegon and Fortis in the Netherlands, and Allianz in Germany, as well as other UK groups such as Woolwich

and General Accident, were also mentioned.

It is believed Prudential approached Scottish Amicable before its plans to demutualise were unveiled two weeks ago, but was rebuffed.

Asked if he was still a potential purchaser, Sir Peter Davis, Prudential chief executive, said yesterday the company was "watching the situation with interest".

Abbey said it would offer at least £400m to Scottish Amicable's policyholders in shares or cash and between £700m and £1bn for the embedded value of the with-profits fund. It means policyholders would get an average pay-out of about £263.

Scottish Amicable is offering policyholders between £275m - £75m initially and £200m on flotation - and £1bn and it put the embedded value of its with-profits fund at least £1bn.

Mr Peter Birch, Abbey chief executive, said: "I believe our offer is at least five times better than theirs in terms of immediate benefits. They are offering £275m while we are offering £400m."

"In addition, we are offering cash or shares, while they are offering policy bonuses well into the future."

Abbey said a combination of its Scottish Mutual subsidiary and Scottish Amicable would create one of the UK's top 10 life insurers with £22bn of funds under management and a much stronger market share.

The City welcomed the move, pushing Abbey's shares 15% higher to 784p. See Lex

Abbey opens the floodgates

Scottish Amicable's own plans put it in the spotlight, writes Christopher Brown-Humes



Lord Tugendhat, chairman, (left) and Peter Birch: seeking greater share of the life market

Given the barrage of adverse publicity which Scottish Amicable's demutualisation plans have attracted in the last two weeks, it was perhaps only a matter of time before a bidder appeared on the scene.

But Abbey National's offer for the mutual seems to have opened the floodgates. An auction looks increasingly likely, seriously jeopardising the group's hopes of retaining its independence before flotation.

Scottish Amicable's proposals have been attacked as too complex, and for offering meagre returns to policyholders. An incentive scheme under which 13 managers could share up to £14m has also been criticised for being too generous.

Abbey's assault - although rebuffed - should not be underestimated. It is a financially strong group with a proven track record in life insurance.

Its purchase of the National & Provincial building society last year - when it appealed over management heads directly to members - shows it can be determined.

In that instance, it won the prize despite strong competition from rival bidders.

As with other groups in the fast-consolidating life sector, Abbey is seeking greater market share and economies of scale in one of the most rapidly growing areas of its business.

It can only have been emboldened by developments at Scottish Mutual since it acquired the life

insurer in 1992. The Glasgow-based company has tripled new business since then, doubled staff numbers to 1,350 and reduced its cost ratio.

But Scottish Mutual has only given the group £28m of funds under management - "so small" according to Mr Peter Birch, the Abbey chief executive - and only a 3.4 per cent share of the independent financial advice market.

Buying Scottish Amicable and combining it with Scottish Mutual would increase funds under management to £22bn and increase their combined IFA market share about 10 per cent. This would provide considerable economies of scale.

Moreover, Abbey says a merger would provide cost savings - but through natural staff wastage rather than enforced redundancies. Indeed, Abbey has said it

will retain 1,300 staff at Scottish Amicable's Stirling headquarters.

It has also pledged that all Scottish Amicable's directors - executive and non-executive alike - will be offered a place on a combined board.

The overlaps are in Glasgow where both Scottish Amicable and Scottish Mutual have offices. While the Scottish Amicable brand name is to be retained, the future of the Scottish Mutual name is much less certain.

"This is an opportunity for us to bring together two long-established and highly respected Scottish institutions under one name," said Mr Birch.

Scottish Amicable, however, remains unpersuaded by the merits of an acquisition by a third party, saying policyholders will be short-changed if they

NEWS DIGEST

Citigate placing to raise £8.3m

Citigate Communications Group, which announced in December that it was coming to the market via the reverse takeover of Incepta, is to raise £8.3m through a placing.

The public relations and advertising group will place 41.6m shares at 20p, raising £8.3m for the company and £5.3m for some of Citigate's 130 shareholders. Shares in Incepta, the media service group, were suspended on December 4 at 21.5p.

Citigate was formed in 1988 around a nucleus of people who broke away from Streets Financial, the public relations and advertising company that dated back to 1980 but went into receivership in 1992. It has developed into a diversified group, including contract publishing and advertising, and has 350 employees spread between the UK, the US, South Africa and south-east Asia.

The placing, underwritten by Beeson Gregory, comprises 26.6m of the consideration shares and 15m new ordinary shares. Citigate is receiving as consideration for the takeover 88m shares in Incepta, which had 66m shares in issue. Incepta is issuing 216.1 shares for each Citigate share. Mr David Wright, who is one of the founders of Citigate, has a 10 per cent holding, will initially have about 5 per cent of the new group.

If Citigate - which made pre-tax profits of £2.15m in the year to September 30 - makes more than £3m profits this year, Incepta will pay a deferred consideration of 45m shares, worth £5m at the placing price. This would lift the stake in the new group held by Citigate shareholders from 36 per cent to more than 49 per cent of the capital.

At the placing price the enlarged group would have a market value of £35.5m, rising to £42.9m if the deferred consideration is paid. It would have turnover of more than £80m. The proposed deal is subject to an extraordinary meeting of Incepta on February 27. The shares are due to be relisted in March.

David Blackwell

SR Gent shifts directors

The two main shareholders in SR Gent - the garment manufacturer that in October said it had received "preliminary approaches" that could lead to a takeover - are stepping down from their executive posts.

Mr Peter Wolff and Mr Peter Wetzel, who together control 62 per cent of the shares, will become non-executive president and deputy chairman respectively from March 1. The group yesterday said this would "help avoid any conflict of interest between their current positions as both executive directors and majority shareholders".

The statement repeated the October announcement that the company had received preliminary approaches from several parties that "may or may not" result in an offer being made. "These approaches are being considered by the board and a further announcement will be made when appropriate." At least two companies are believed to be interested in Gent, which makes women's and children's wear for Marks and Spencer. They are Claremont Garments, another M&S clothing supplier, and Texmaco, based in Jakarta, Indonesia.

Gent shareholders are believed to be seeking a substantial premium to the market valuation because of the group's annual sales to M&S of about £150m. Yesterday the shares, which fell to 35.5p earlier this month, closed down 2p at 37.5p, giving the group a market capitalisation of about £21m.

Yesterday's statement said the group's day-to-day management would remain with Mr Michael Stakol, chief executive. An independent non-executive chairman would be appointed "in due course".

In December, the group reported higher than expected pre-tax losses of £11.1m for the year to June. The results announcement had been delayed from September because of negotiations with bankers. Yesterday's statement said formal documentation of new banking facilities had been successfully completed.

David Blackwell

Investor backs Clyde

Clyde Petroleum's management received a vote of confidence from its largest shareholder yesterday as Gulf Canada Resources prepared to spend the weekend deciding whether to increase its £425m hostile takeover offer.

Mr Jim Cox, a director of Schroder Investment Management, which holds almost 20 per cent of the UK oil independent, said: "The board of Clyde has behaved well and has run the company profitably. It has done nothing that shareholders could complain about." He made no further comment about the bid, however. Just four institutional investors hold more than half of Clyde.

Gulf has until Tuesday to change its 105p a share cash offer. Analysts expect the Canadian oil and gas group to increase its offer by up to 125p a share, with the most likely price 120p.

Mr Roy Franklin, Clyde's managing director, issued a statement yesterday in which he criticised Gulf's "horribly predictable attempt to talk down Clyde's price" during the week. The company's shares edged down in the week to close at 115.5p.

Jane Martinson

BWG wins Appleby W'ward

Appleby Westward, the UK food distributor, yesterday said it had accepted a takeover offer from BWG (ND). The offer of 17p a share values Appleby at £25.5m, a premium of 33 per cent to the relevant middle market quote yesterday. The shares rose 38.5p to 167.5p yesterday.

Appleby said directors, their families and associated trusts had accepted the offer in respect of 4.2m shares, representing 76 per cent of the company. The suitor is part of the BWG Group, which operates the Spar franchise in the Irish Republic. Its ultimate parent is Pernod Ricard.

Ap'd Distribution approached

Ap'd Distribution, the warehousing and distribution company that issued a profits warning in November, yesterday said it had received "a number of preliminary approaches" that "may or may not lead to an offer being made for the company". It added that the "initial indicative" offers received were below yesterday's closing price of 62p, up 15%.

Formal sales ahead

Formal Group, the clothing company, said yesterday sales at Blakes Menswear were 20 per cent ahead on a like-for-like basis, and 40 per cent on an absolute basis since its acquisition in July. In the first three weeks of January like-for-like sales were up 48 per cent and 67 per cent on an absolute basis. Cupid bridalwear was ahead of budget, but its Youngs and Langside subsidiaries were flat. The shares rose 9.5p to 167.5p yesterday.

Grosvenor denies approach

Grosvenor Inns, the pub operator which includes the Slug and Lettuce chain, denied yesterday that it had received any approaches which might lead to an offer for the company, despite the strong recent rise in its share price. The shares rose 16.5p to 222.5p on Thursday, before falling back to 218.5p yesterday.

Dyson more than doubled

J & J Dyson, the Sheffield-based ceramics group, yesterday reported interim pre-tax profits more than doubled from £815,000 to £1.85m, and said the second half had remained buoyant. Turnover rose 14 per cent to £22.6m in the six months to September 30. Contrary to expectations, demand from UK integrated steel plants had remained

Brockhampton to lift pay-out after buy-back

By Roger Taylor

Brockhampton, the water company that supplies Hampshire and West Sussex, has paid £5.88m to buy back 15 per cent of its shares from the pension fund of its Portsmouth Water Company offshoot, which sold 8.1m non-voting shares at 74p each.

Mr John Batty, managing director of Brockhampton, is also secretary and trustee of the pension fund.

Berkeley raises £34m via placing

By Martin Brice

Berkeley Group, the housebuilder that raised £75m a year ago, yesterday raised a further £34m to take advantage of the recovery in the housing market.

The company also issued a bullish trading statement yesterday and the shares jumped 38.5p to 735p.

The placing via SBC Warburg of 4.75m shares at 715p raised funds for a "continuing programme of land acquisitions". The company had £54m cash in October but a series of "significant land acquisitions" had moved it into debt, which Mr Tony Pidgeley, managing director, put at £40m. Sales reservations over Christmas and in January had "materially exceeded expectations".

Mr Pidgeley said a consistent pattern of strength in the housing market was developing: "We are selling very nicely on all fronts, not just in London but all over the country. Notwithstanding the cold weather, the market started picking up on January 4 or 5, whereas normally we wait until the middle of January."

He said all group companies were above target on sales: "We are doing well and I would assume that our rivals are not doing well now, they never will do well. I would think the market is showing a recovery for most housebuilders."

Premier moves to repair damage

By Motoko Rich

Premier Farnell, the electronics components distributor whose shares were battered by a profits warning earlier this week, is attempting to patch up its fractured relationship with BWZ, its broker.

After attempting to shift the blame for the warning on to BWZ, Mr Howard Poulson, chief executive, met with analysts and investors. He had cut short a business trip to California in order to stem the damage wrought by the warning, which came out two minutes before the London market closed on Wednesday and

On Thursday he said BWZ had assured him warning was not necessary about one week before he left for his trip. He claimed the broker reversed its decision at the last minute on Wednesday and the warning was "extremely badly handled".

BWZ has said it advised the company to issue the warning on Wednesday because "we felt that notwithstanding the relatively small percentage profits downgrade, the share price might react adversely". The shares, which rose 6.5p to 528.5p yesterday, fell by 25 per cent on Wednesday and Thursday.

Analysts have downgraded pre-exceptional pre-tax profit estimates from £147m to £137m.

Its market was upset by the late timing of the statement on Wednesday as well as the fact that the warning came less than a year after the group's controversial £21.75m (217.5m) takeover of Premier Industrial Corporation, a company twice the original Farnell's size.

Several shareholders, including Standard Life and Legal & General, opposed the terms of the deal at the time and analysts this week were questioning its wisdom in the light of the warning.

Analysts have downgraded pre-exceptional pre-tax profit estimates from £147m to £137m.

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Gold price tumbles to 3½-year low

By Susanna Voyle

pointing, but [central banks] are defenceless; they are not in the denial business," he said. Instead, he suggested that this week's falls came in the aftermath of the expiry of options on Wednesday. "This is a market that is in technical territory driven by the options."

Mr Smith suggested that next week the market might see a fall in volatility. He said volatility was as high as it had been this time last year - when rally peaked at \$417 a troy ounce. "The market is as active as that," he said. "You have to believe that it will become less active... the excitement on the upside last year didn't last so long, and I would imagine that it would be the same here."

Reaction to the fall in gold among other precious metals was also mixed. Platinum suffered, finishing at \$345.75, down \$3. However, silver and palladium took an independent path, silver closing up two cents at \$4.91 and palladium up \$2.25 at \$123.50.

Last month the Dutch central bank said it had sold 300 tonnes of gold from its reserves, which badly affected market sentiment. Analysts have been fretting over the possibility that other European governments might devalue the market with gold to raise money to help them meet the criteria for monetary union.

Mr Ted Arnold, metals analyst at Merrill Lynch, said the most interesting feature of the week had been the amount of gold coming out of Asia. "The message is that they are not going to be buyers for some time," he said. "The market's mood is that \$330/\$320 will probably be seen in coming weeks."

He said he also expected to see some more gold sales from central banks within nine to 11 months, and that it was difficult to make out a bull scenario for gold. "The bear market is well and truly intact," he added.

Mr Andy Smith, precious metals analyst with UBS, played down the idea of central bank selling.

"There is a lot of finger

WEEKLY PRICE CHANGES

	Latest	Change	Year	1996/97	1997
	price	on week ago			
			High	Low	
Gold per troy oz.	\$344.15	-\$7.07	\$415.40	\$415.40	\$344.15
Silver per troy oz.	\$3.60	+\$0.02	\$3.62	\$3.58	\$3.60
Copper 99.9% (t/cm)	\$1675.5	+\$1.50	\$1676.5	\$1624.5	\$1675.5
Lead (cast)	\$260.5	+\$1.40	\$261.5	\$257.0	\$260.5
Zinc SHG (cash)	\$295.75	+\$2.50	\$298.25	\$293.25	\$295.75
Nickel (cash)	\$748.5	+\$25.5	\$768.5	\$718.5	\$748.5
Tin (cash)	\$1151.5	+\$37.5	\$1189.0	\$1151.5	\$1151.5
Copper Grade A (t/cm)	\$1510.0	+\$4.00	\$1514.0	\$1506.0	\$1510.0
Aluminium 99.9%	\$152.00	+\$0.05	\$152.05	\$151.95	\$152.00
Brass Future Jan	\$24.00	+\$1.45	\$25.45	\$22.55	\$24.00
Wheat Future Jan	\$342.25	+\$1.25	\$343.50	\$340.50	\$342.25
Cotton Outlook A Index	\$0.35	+\$0.02	\$0.37	\$0.33	\$0.35
Wool (64 Super)	407p	+\$13	448p	452p	387p
Oil (Brent Blend)	\$23.20p	+\$0.92	\$26.75	\$25.18	\$16.90

Per tonne unless otherwise stated. p Pence/kg. c Cents/kilogramme. t/m Mar.

WORLD BOND PRICES

MARKETS REPORT
By Lisa Branster in New York and Edward Luce in London

US Treasury prices jumped early yesterday as fears eased that the Federal Reserve would raise interest rates next week despite figures on gross domestic product that were much stronger than expected.

Near midday, the yield on the benchmark 30-year Treasury was hovering near the 6.8 per cent level having spent most of the week closer to the 6.5 level. The price rose to \$64.96, pushing the yield to 7.802 per cent.

European markets received a boost yesterday from the US data with most advancing steadily. UK gilts rose sharply with markets discounting the possibility of a rise in US interest rates at the meeting next Wednesday. Long gilt futures rose by 2 to close at 110.00 on Life.

German bonds also responded strongly with 10-year bonds closing half-a-point up at 101.71. Spanish 10-year bonds closed 0.37 up at 114 in Madrid.

BENCHMARK GOVERNMENT BONDS

	Rd	Date	Day's	Price	change	Yield	Week	Month
Australia	8/95	11/05	85.7618	+0.33	7.35	7.46	7.48	
Austria	6/95	01/07	99.0300	+0.34	5.75	5.82	5.91	
Belgium	7/00	05/06	102.0000	+0.370	5.7	5.74	5.95	
Canada	7/00	12/06	103.1500	+0.620	6.58	6.72	6.89	
Denmark	6/00	03/08	110.2400	+0.620	6.45	6.56	6.74	
France	ETAN	5/00	103.6700	+0.620	6.42	6.51	6.69	
OAT	6/00	10/08	103.6700	+0.620	6.58	6.62	6.81	
Germany	6/00	01/07	102.0000	+0.250	5.73	5.79	5.84	
Ireland	6/00	10/08	105.4200	+0.150	5.68	5.65	6.78	
Italy	6/00	02/08	114.2700	-0.730	7.31	7.14	7.45	
Japan	No 14/3	09/01	121.5000	-0.650	1.36	1.40	1.37	
No 18/2	09/05	10/04	104.4000	-0.400	5.54	5.60	5.79	
Netherlands	5/95	01/07	118.8500	+0.220	5.62	5.61	5.79	
Portugal	6/00	04/08	114.3800	-0.480	5.54	5.60	5.79	
Spain	6/00	06/07	108.0800	-0.480	5.88	5.91	6.01	
Sweden	6/00	12/00	104.0000	+0.420	7.49	7.46	7.52	
UK Gilt	7/00	10/08	111.18	+0.252	7.95	7.75	7.77	
US Treasury	6/00	10/08	96.35	+0.352	6.52	6.59	6.40	
ECU (French Govt)	7/00	04/08	107.2300	+0.120	5.65	5.68	6.16	

Yields Local market standard.

* Yields including withholding tax at 12.5 per cent payable by nonresidents.

Source: MMS International

** Yields Local market standard.

† Yields including withholding tax at 12.5 per cent payable by nonresidents.

Source: MMS International

■ BUSINESSES FOR SALE

Appear in the Financial Times on Tuesdays,

Fridays and Saturdays.

For further information or to advertise in this section

please contact

Karl Loynton on +44 0171 873 4874

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINUM, 99.7 PURITY (\$ per tonne)

Cash

Close 1897-98 1822-23

Previous 1584.55-55 1810-10

High/Low 1592/1591 1625/1613

AM Official 1591-91 1616-17

Kerb close 1623/1624

Open int. 248,441

Total daily turnover 57,452

Total 1,185

■ ALUMINUM ALLOY (\$ per tonne)

Cash

Close 1505-15 1525-26

Previous 1500-05 1520-21

High/Low 1505-10 1525-27

AM Official 1505-10 1525-25

Kerb close 1505-10 1525-27

Open int. 5,121

Total daily turnover 1,185

■ LEAD (\$ per tonne)

Cash

Close 656-61 670-72

Previous 656-57 668-67

High/Low 656-61 670-72

AM Official 656-61 670-72

Kerb close 656-61 670-72

Open int. 5,121

Total daily turnover 1,185

■ NICKEL (\$ per tonne)

Cash

Close 7480-80 7580-85

Previous 7435/7430 7600/7230

High/Low 7480-80 7580-85

AM Official 7425-30 7580-85

Kerb close 7425-30 7580-85

Open int. 48,125

Total daily turnover 16,312

■ ZINC (\$ per tonne)

Cash

Close 5905-70 5925-70

Previous 5890-70 5915-70

High/Low 5905-70 5925-70

AM Official 5905-70 5925-70

Kerb close 5905-70 5925-70

Open int. 5,789

Total daily turnover 16,312

■ COPPER, grade A (t/cm)

Cash

Close 5905-70 5925-70

Previous 5890-70 5915-70

High/Low 5905-70 5925-70

AM Official 5905-70 5925-70

Kerb close 5905-70 5925-70

Open int. 5,789

Total daily turnover 16,312

Mile
are fuelling
John Gapper



Woman in the News · Katharine Graham Self-portrait of a lady

Jurek Martin on the celebrated publisher of the Washington Post

There is a paradox about Katharine Graham, celebrated publisher of the Washington Post. She inspires awe in everybody she meets yet confesses, in her absorbing and painfully honest biography, that she is conscious of her shortcomings and insecurity.

The book's publication has certainly started the reminiscences flowing. In New Yorker magazine, David Remnick, former Moscow correspondent for the Post, writes that he thought his career was over after he nearly got his boss mauled by a circus big cat in what was then Leningrad.

In *Vanity Fair*, Sally Quinn, whose own profiles for the newspaper's Style section inspired fear in their subjects, tells of quaking in her shoes as part of a delegation that dared ask Mrs Graham to boycott an all-male establishment dinner. Ms Quinn later married Ben Bradlee, the Post's great former editor and Mrs Graham's alter ego, and trembles no more.

I never worked for the Post, but I know what they mean. Once, in Tokyo, I introduced her at a lunch with some mock-biblical verses taken from St John - not the Divine but Mitchell, President Nixon's attorney general - using his threat to put parts of her body

through a mangle if the Post did not back off in its Watergate coverage. Half way through I caught a glimpse of that unblinking patrician face and wondered if I would be sent down for lese majesty.

But this is not how Katharine Graham sees herself. Her story is of a daughter of the privileged establishment, brought up more by servants than parents, going to the best schools but never seriously allowing herself to think in terms of a career - either as a journalist, which appealed to her, or as a businesswoman.

She was never as close to her father, the financier Eugene Meyer, as both would have liked. He bought the struggling, inconsequential Post in the 1930s and later briefly became first president of the World Bank. The relationship with her dominating and eccentric mother, Agnes, was difficult.

It was Phil Graham, her husband, to whom she was totally in thrall. His brilliant personality and record as publisher of the reviving

Post - for which he acquired Newsweek for a song - and as confidant of politicians and presidents, left her essentially a mother and rich housewife, trailing mostly happily in his glorious wake.

"I literally believed," she writes, "that he had created me, that I was totally dependent on him."

She became truly aware of the extent of his manic depression only late in their relationship, and did not know how to handle it. She had friends to turn to - President Kennedy once sent a government plane to bring Phil Graham back from Arizona after one bad public breakdown - but found it hard to imagine life without him, even when he left her for another woman.

She was in an upstairs room when he committed suicide - with a shotgun - at their Virginia farm in 1963, having wheedled a weekend off from his psychiatric clinic. The rest is in the public domain. The daughter of Eugene Meyer decided "however hesitantly" to keep the

Post "for the children" - not as a figurehead, but "by going back to work" in the fullest sense. That meant fending off takeover offers from CBS, Times Mirror, "even from Roy Thomson".

"Little did they realise that, having lived through the rebirth of the paper from its bankrupt McLean days, having stood by my father and my husband as they built it up with such zeal and devotion, I would never sell. It was unthinkable for me." Scarlett O'Hara, wowing never to go hungry again, knew the feeling.

Of course, she needed help and it came from predictable and unexpected quarters, mostly male. Ben Bradlee, already a star with Newsweek, was the acquisition that made the difference to the editorial side. This was never more so than in the Pentagon Papers case of 1971 - which at least got the Post mentioned in the same breath as the New York Times - and then in the Watergate saga, when it surpassed its benchmark rival. Warren Buffett was

unknown to her when he bought 10 per cent of the company's non-family B shares in 1973 (it had gone public two years earlier). Within a year she invited him on the board of directors with Don Graham, her eldest son and now publisher. Ever since, Buffet has been the ultimate financial eminence gris.

She also wanted, and received, friendship. "As Warren was driving me to Los Angeles airport [in 1974] I told him something very important to me. I said I would welcome anything he wanted to tell me if he told me gently, but that I didn't respond well to sharp rebukes, which made me curl up in angry retreat... I need not have worried, he understood me totally by then."

In a 600-page memoir, Mrs Graham speaks unkindly only of those who traduced her - led by her husband's psychiatrist and the print union leaders she battled to defeat in 1974-75. (She reveals no generalised employer animus towards

organised labour. Perhaps this is because as a young reporting intern she got to know - and go drinking with - the toughest nuts in the San Francisco longshoremen's union, including the radical Harry Bridges.) Dislike is not even displayed towards Robin Webb, Phil Graham's lover. "She must be a decent person."

Her friends are legion, though hardly ordinary. They bear names such as Kennedy, Johnson, Reagan, McNamara, Bundy, Nitze, Reston, Alsop, and countless more pillars of the Washington establishment. They include the international great and good (Jean Monnet and Isidor Berlin) and the infamous (Donald Maclean, the British spy for Moscow). Her book is thus also a contemporary history, filled with delicious asides. Of Monnet she writes disarmingly: "I can testify to his virility."

She comes over as a woman, but an almost reluctant feminist; as mostly liberal, though non-doctrinaire; and as tough only when she has to be. She is, after all, a lady of pedigree.

Personal History, Katharine Graham, Knopf, \$29.95. Available from FT Bookshop by ringing FreeCall 0500 500 635 (UK) or +44 181 329 5511 (outside the UK).



Raymond Snoddy on enthusiasm for digital terrestrial television

Channel-surfing charter

Until a few days ago there was a widespread belief that digital terrestrial television was one broadcasting service too many to inflict on the British public.

British Sky Broadcasting, the satellite television venture, plans to launch up to 200 channels of digital satellite television in the UK before the end of this year. And the cable companies have invested about £2bn in high capacity networks for Britain's urban areas with plans to go digital - complete with interactive services such as home shopping, home banking and access to the Internet.

In an age of 200 channels, there seemed to be limited attractions in the 30 or so digital terrestrial channels that could be broadcast from traditional land-based transmitters. Viewers were unlikely to be interested in buying a set-top decoder for digital terrestrial television rather than hooking up to satellite or cable.

But a small number of television executives were excited by the prospect - and yesterday they submitted their application for digital terrestrial television franchises that will offer much more than a second-class service. They included two of the most powerful figures in British television: Mr Michael Green, founder and chairman of Carlton Communications, the largest ITV company, and Mr Sam Chisholm, chief executive of BSkyB.

"In five or 10 years the majority of the population will receive their television in this way," Mr Green said yesterday, after submitting his consortium's application to the Independent Television Commission, the commercial regulator.

Digital terrestrial television will offer the viewer interference-free and possibly wide-screen pictures which can be received with ordinary aerials and without the need for satellite dishes.

The existing broadcasters such as the BBC, ITV, Channel 4, the Welsh Fourth

What's on offer?

British Digital Broadcasting

- Sky 1 (family entertainment)
- Sky Movies (films)
- Sky Sports (sport)
- BBC One TV (pop music)
- BBC Horizon (nature, science, history)
- BBC Showcase/BBC Style (best of BBC1 and BBC2, with food, fashion)
- Carlton Select (drama, special events)
- Carlton Films (films)
- Carlton Entertainment (popular entertainment)
- Granada Plus (entertainment)
- Granada Good Life (lifestyle)
- Granada TV Shopping (teleshopping)
- Granada Sports Club (football, music)
- Public Eye (law and order)
- The Movie Channel (films)

Channel and the soon-to-be-launched Channel 5 all have been guaranteed digital terrestrial capacity... The

licences that this new consortium is bidding for are the three commercial multiplexes, or blocks of frequencies, capable of broadcasting about 30 or more channels.

It is likely that before digital terrestrial television is launched in the middle of next year all the broadcasters involved will work together to ensure that viewers will need only a single set-top box to receive their broadcasts. The set-top decoders are likely to cost about £400 at retail at the outset but launch subsidies from the consortium could bring this down - closer to £200.

Dixons, the consumer electronics chain, believes the electronics can be quickly integrated into television sets which would sell at about £500 more than conventional sets. Plug-in modules which could allow these boxes to receive digital satellite services could cost as little as £50.

Oliver & Ohlbaum, a media consultancy, predicts that digital terrestrial television could win 1m subscribers by 2001, with gross revenue of £180m, and 3m subscribers and £650m gross revenues by 2005.

Mr Green's group was brought together at a dinner at Hampton Court Palace in 1988 by Mrs Virginia Bottomley, the National Heritage secretary, another DTT

Digital Television Network

- The Money Channel (business, consumer advice)
- The Knowledge Channel (includes Campus)
- The British Sports Channel (sport)
- Metro TV (includes Neighbourhood TV)
- Travel (includes The Holiday Hotline)
- The National (personal pages, news)
- Shopping Square (teleshopping, banking)
- Animal Planet (specialist)
- The ITN Living History Channel (specialist)
- The Box (specialist)
- Turner Classic Movies
- MGM Gold
- Cartoon Network
- The Movie Experience

Sources: the consortium

enthusiast who has never wavered in her belief that this was an opportunity for the UK to take a world lead.

The consortium includes International CableTel, the UK cable operator which owns NTL, the broadcasting transmission and services company which has been working on the digital technology for years.

For Mr Green the trick was to persuade BSkyB - which has channels such as Sky Sports, Sky Movies and The Movie Channel - to join the consortium. Initially a 50-50 joint venture was agreed. Mr Gerry Robinson, chairman of Granada, the second largest ITV broadcaster, who is also chairman of BSkyB, set aside initial scepticism to join up.

The result is British Digital Broadcasting, a powerful integrated operating and programming company which can call on channels already created by consortium members. The consortium, which expects its investment to be no more than £300m, also has first option to broadcast the new television channels being created by a planned joint venture between the BBC and Flexitech, the cable and satellite channel company.

The consortium chaired by Mr Green is challenged for the three main multiplexes by Digital Television Network, a company wholly owned by International CableTel. It plans a range of

channels including movies, sport, entertainment, education, money, travel and local strands of programming.

In particular there will be a new channels devoted to British sports and city-based television channels broadcasting up to 18 hours of local programmes a day. DTN will in the main buy in its channels and service - including pay-per-view movies from Hollywood studios on a contract basis. In addition the company promises revolutionary data, information and shopping services.

Mr Jeremy Thorp, chief executive of DTN, said yesterday: "By pulling together the best programming and technology expertise available we've proposed a multi-media solution tailored to the needs of the UK mass TV audience."

On the incomplete information available yesterday - neither group would reveal much by way of numbers or levels of decoder subsidy - British Digital Broadcasting seems the stronger offering.

Although more of BDT's channels already exist, DTN can offer Turner Classic Movies, Cartoon Network and Animal Planet, the new animal channel launched successfully by Discovery Communications in the US.

Whoever wins the battle of the multiplexes it is certain that the British viewers are going to be wowed as never before to join the digital multi-channel revolution whether via cable, digital satellite or digital terrestrial.

No Albanian has struggled harder to end his country's poverty-stricken isolation than Mr Kristaq Luniku, the 34-year-old former bank employee who is governor of the Bank of Albania.

Exiled from Tirana under the Stalinist regime of Enver Hoxha because of family connections in the US, he learnt monetary policy and foreign languages from books while working at a state bank in Albania's northern mountains.

But Mr Luniku faces the possible destruction of his efforts to build the country's financial system from scratch. This week, armed soldiers had to protect the Bank of Albania after riots triggered by the collapse of several pyramid finance schemes. Pyramid financing promises excessive returns on depositors' money - a promise that can be fulfilled only as long as the inflow of funds continues.

"I work like a dog for years, and now this happens. It is blood running into the sand," says Mr Luniku.

Albania suffered a worse repression than any country in former communist east Europe. Fought over for centuries, it emerged chaotically into the modern world in 1991 with few of the institutions a western state takes for granted.

Despite this, by 1995 Albania was the International Monetary Fund's model pupil, with inflation down to 6 per cent and economic growth outstripping the rest of former communist east Europe. But the rapid growth of the pyramid schemes and their subsequent collapse show how precarious Albania's progress has been over the past six years.

Vefa Holding, Albania's biggest private sector company, is widely regarded by western financial observers as being at the centre of the pyramid schemes. Mr Vebi Alimucaj, its founder, is a paunchy 47-year-old who used to be a soldier in Hoxha's army. He drives an S-Class Mercedes and has a villa in central Tirana that doubles as his headquarters.

Mr Alimucaj claims to be running a conglomerate, with operations ranging from chicken farms and bitumen mines to ferries, heli-

copters and supermarkets.

Cracking his knuckles behind the desk in his lavish office, he talks of opening a private bank, even though his application for a licence was rejected last year.

"We too have used this operation of borrowing from citizens because we wanted to increase investments and create as many jobs as possible," he says, while vehemently denying that Vefa is a pyramid scheme. "As the development of our activities gets bigger, we need to have all rights to draw money and pour out capital."

Vefa is described by one senior Albanian official as a "state within a state" with close connections to the government.

He insisted this week that "Albania will develop as a democratic country and will try to apply the most liberal standards in existence". But parliament is still boycotted by the leading opposition Socialist party seven months after the general election, and outspoken critics of the Democratic party have been beaten and intimidated.

The spectre of financial collapse in Albania is alarming its EU neighbours, Italy and Greece, for a new wave of mass migration. In 1990, they had to accommodate tens of thousands of young Albanians who fled abroad in search of work.

Confidence is falling daily among the dozens of foreign exchange dealers who operate with pocket calculators and wads of currency in the dusty streets outside the central bank. The currency has slipped from 110 to 125 leks to the dollar in two days.

He insisted this week that "Albania will develop as a democratic country and will try to apply the most liberal standards in existence". But parliament is still boycotted by the leading opposition Socialist party seven months after the general election, and outspoken critics of the Democratic party have been beaten and intimidated.

The Berisha administration has ignored exhortations from Washington to bring the opposition back into the political process. The US is pushing for rapid progress on drafting a new constitution to be followed by fresh elections.

But the need for political reforms has been overtaken by the pressure on Mr Berisha to pacify victims of the pyramid schemes. Any cash handouts from an overstretched budget risk

in what may be a trend-setting move, Netcom On-Line Communication Services recently announced it would phase out flat-rate Internet service in favour of a range of "enhanced" services. These include high-speed digital telephone lines and Internet access via Cable TV networks, satellite communications or cellular wireless systems.

Similarly, @Work, a new unit of the @Home Network, has launched a service designed specifically for telecommuters - people working at home who rely on online connections to keep in touch with the office. For about \$200 a month, customers will get high speed Internet access as well as links to head-office computers and 24-hour customer support.

In Internet service, as in most things, it is becoming a matter of "you get what you pay for". Businesses and people willing to pay more can expect higher speeds and more reliable connections.

For those who are happy to wait for their connection, the basic low-cost Internet access will remain an option.

Home telephones under siege

Internet users are stretching the US phone network to breaking point, says Louise Kehoe

A boy sits typing at his computer while his father lies dying on the floor behind him. "Aw, gee Pop," says the boy, "if I call 911 I'll lose my America Online connection."

The cartoon in the Akron Beacon-Journal reflects the latest obsession in the US. Millions of personal computer users are logging on to the Internet and online information services, putting the home telephone line under siege.

Family members squabble as the household "nerd" hijacks the phone line for online activities. Telephone companies in the US complain that Internet services are overwhelming their networks. Meanwhile, cyber fans moan about slow service and bad access times.

America Online, the world's largest online service with some 30 million subscribers, is taking the brunt of it. Last week the company agreed to offer refunds to disgruntled US customers.

AOL has seen use of its services soar over the past two months since it introduced a flat-rate pricing scheme of \$19.95

(£12.30) a month. Since local telephone calls are free on US home phone lines, PC owners were remaining hooked to the Internet for hours, or even days.

With circuits jammed, many AOL subscribers have found it impossible to get online. They have faced constant busy signals, earning AOL the unfortunate new title of "America Offline".

AOL has been lambasted by prosecutors from all over the US who threatened to file consumer fraud charges against it for selling services it could not deliver. But the company's offer of refunds appears to have quelled complaints - at least for the time being, the company said.

"The explosion of the Internet is flooding our networks," says Mr Michael Fitzpatrick, chief executive of Pacific Telesis, AOL's parent company. He predicts a "data tsunami", a tidal wave of Internet calls in the next 18 months.

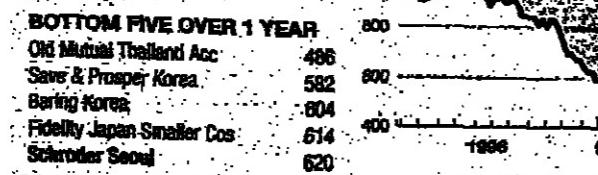
grow more than 700 per cent by the year 2001," says Mr Roy Neel, president and chief executive of the US Telephone Association, an industry trade group.

"Someone has to pay for that usage, the subsequent wear and tear on the network and the new equipment."

The telephone companies are pressing the Federal Communications Commission, the telecoms regulator, for a change in the regulations to allow higher charges to Internet service providers.

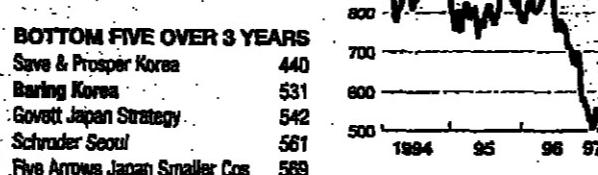
UNIT TRUSTS**■ WINNERS AND LOSERS**

TOP FIVE OVER 1 YEAR		Schroder Seoul
Johnson Fry Smaller Cos	1,504	
Jupiter European	1,387	
Gartmore UK Smaller Companies	1,384	1,200
Old Mutual European	1,356	
NatWest UK Smaller Cos	1,358	1,000



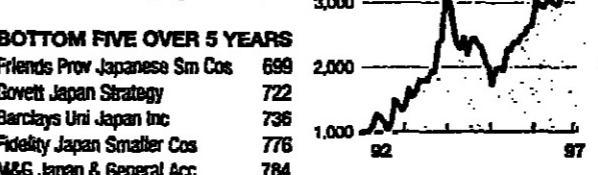
Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

TOP FIVE OVER 3 YEARS		Baring Korea
Hill Samuel US Smaller Cos	2,086	
Prolific Technology	1,983	
Jupiter European	1,813	1,000
PM North America Growth	1,801	
Framlington Health	1,787	800



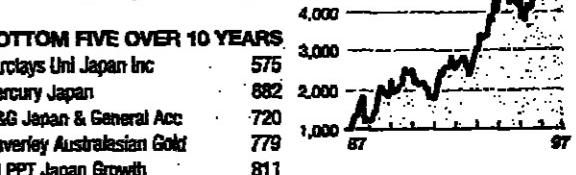
Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

TOP FIVE OVER 5 YEARS		HSBC Hong Kong Growth
HSBC Hong Kong Growth	4,072	
Gartmore American Emer Gth	3,516	
GT Orient Acc	3,533	4,000
Prolific Technology	3,508	
Hill Samuel UK Emerging Cos	3,339	3,000



Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

TOP FIVE OVER 10 YEARS		Friends Prov Australian
Hill Samuel US Smaller Cos	6,458	
HSBC Hong Kong Growth	6,110	
FEC US Small Companies	5,629	6,000
Friends Prov Australian	5,615	5,000
Gartmore Hong Kong	5,597	



Source: HSW (01625 511311)

■ Indices		
Average Unit Trust	1,025	1,127
Average Investment Trust	1,103	1,141
Bank	1,082	1,112
Building Society	1,031	1,114
Stockmarket, FTSE All-Shares	1,183	1,321
Inflation	1,028	1,081

■ UK Eq & Bd		
BWD Balanced Portfolio	1,148	1,374
NPI UK Extra Income Inc	1,107	1,256
Credit Suisse High Income Port	1,070	1,247
Perpetual High Income	1,067	1,240
Canfield Income Dis	1,091	1,172
SECTOR AVERAGE	1,070	1,181

■ Gilt & Fixed Interest		
Thomson Preference Inc	1,048	1,171
Britannia Gilt & Fixed Int Inc	1,027	1,134
Abstrax Fixed Interest	1,133	1,238
Henderson Preference & Bond	1,071	1,288
Abbey Capital Reserve Acc	1,038	1,127
SECTOR AVERAGE	1,028	1,146

■ International Equity Income		
Martin Currie Int'l Income	1,042	1,143
GT International Income	1,013	1,136
GEM Dolphin Int'l Gth & Income	1,029	1,123
M&G International Income	1,000	1,118
Mayflower Global Income	988	1,081
SECTOR AVERAGE	1,013	1,080

■ International Fixed Interest		
Baring Global Bond	1,019	1,113
Barclays Uni European Bond Inc	1,046	1,261
Morgan Global Bond Acc	965	1,082
Old Mutual Worldwide Bond Inc	965	1,071
TSB International Income Inc	956	1,048
SECTOR AVERAGE	925	991

■ International Equity & Bond		
Bank of Ireland Ex Mgd Growth	1,086	1,261
Cazenove Portfolio	1,035	1,217
NPI Worldwide Income Inc	1,029	1,197
GT Income	1,126	1,226
SECTOR AVERAGE	1,026	1,103

■ International Growth		
Prolific Technology	1,041	1,183
Framlington Health	989	1,187
Henderson Global Technology	970	1,251
Scott Equitable Technology	1,091	1,208
SECTOR AVERAGE	1,022	1,103

■ International Equity & Bond		
Bank of Ireland Ex Mgd Growth	1,086	1,261
Cazenove Portfolio	1,035	1,217
NPI Worldwide Income Inc	1,029	1,197
GT Income	1,126	1,226
SECTOR AVERAGE	1,026	1,103

■ International Growth		
Prolific Technology	1,041	1,183
Framlington Health	989	1,187
Henderson Global Technology	970	1,251
Scott Equitable Technology	1,091	1,208
SECTOR AVERAGE	1,022	1,103

■ International Equity Income		
Martin Currie Int'l Income	1,042	1,143
GT International Income	1,013	1,136
GEM Dolphin Int'l Gth & Income	1,029	1,123
M&G International Income	1,000	1,118
Mayflower Global Income	988	1,081
SECTOR AVERAGE	1,013	1,080

■ International Fixed Interest		
Baring Global Bond	1,019	1,113
Barclays Uni European Bond Inc	1,046	1,261
Morgan Global Bond Acc	965	1,082
Old Mutual Worldwide Bond Inc	965	1,071
TSB International Income Inc	956	1,048
SECTOR AVERAGE	925	991

■ International Equity & Bond		
</tbl_info

Weekend FT



We're just taking care of business

John Plender explains why individuals in wealthy developed countries still suffer feelings of insecurity and decline

Gulliver, you may recall, encountered on his travels two impassioned groups, the big enders and little enders, whose cause *belli* concerned the best end of the egg from which to extract the yoke. A comparable war is being waged in the post-socialist era about how to extract the best from capitalism.

The so-called stakeholder societies of Germany and Japan believe that their way of creating wealth is inherently superior. In the English-speaking world there is an equal and opposite conviction that the free market model is a more robust formula for growth.

Yet a striking feature of the global economy over the past decade and a half is that the growth rates of the US, Britain and Germany have been converging. In the 1990s, even Japan is coming into line.

Convergence is admittedly taking place at relatively low rates of growth and the global economy is, like the curate's egg, only good in parts. A dispassionate observer might thus conclude that neither the big enders nor little enders are, in their distracted state, pulling their weight.

A modern Gulliver would also note that the stakeholders have high rates of investment, but use their capital very inefficiently. The short-termist Anglo-Saxons under-invest, but extract high rates of productivity from modest outlays.

The Anglos are, in addition, uncaring, tolerating greater inequality of incomes. The stakeholders are sexist; the long-termist commitment required of males in the workplace often depends on an army of women toiling in the home.

But if the respective claims to economic superiority are open to debate, there is little doubt that the English-speakers are the more psychologically disturbed. Their short-term problem is one of endemic

insecurity resulting from waves of downsizing, re-engineering and de-layering, often induced by takeovers in which macho managers delight the markets with news of mass firings.

The extreme exponent of such corporate mutilation is Al "Chainsaw" Dunlap, currently working on the big US company Sunbeam. Dunlap's arrival there last year was followed by the announcement that 50 per cent of the workforce would go. The triumphal, if unseductive, logic of this rude form of capitalism is "better pensions for fired workers".

Britain is no less vulnerable to a "feelbad" factor. After the shock treatment of the Thatcher era, the country's relative economic decline has finally been halted against its main competitors in terms of income per head. Yet the public does not seem to want to know, because it suffers not only from insecurity but from a longer term psychological hang-up.

The nature of the bind is well illustrated by the huge success of the book *The State We're In* by Will Hutton, the stakeholder-inclined editor of the Observer, who argues that Britain is locked in a "self-reinforcing downward spiral".

Hutton's is an intelligent and passionate contribution to a very British and under-explored genre. The literature of decline, it takes many forms. There are single-issue declinists such as Martin Wiener, the historian who argues that a cultural hostility towards industry has crippled British economic development. There are multi-issue declinists such as Correlli Barnett, whose strictures range from the endemic weakness of the education system, through class division, to imperial overstretch.

Most declinists take it as axiomatic that other developed countries are unaffected by remotely comparable problems. But the essence of the condition is not so much parochial narcissism, as residual angst over loss of top dog status. Such declinism was particularly prevalent in the 1970s, when the late William (subsequently Lord) Armstrong, the head of the civil service, described Whitehall's task as being "the orderly manage-

ment of decline". This pessimism coincided, regrettively, with the Heath government's decision to pool sovereignty within Europe.

Britain's absolute loss of pre-eminence in the world has been acutely felt by the political class, not least because empires are to politicians what takeovers are to businessmen. They may not be profitable, but they give a great and distracting buzz to the perpetrators.

Put another way, the Luxembourgish and the Swiss may be the richest citizens in Europe; but in choosing to achieve this through voluntary trade instead of subjecting other people to an imperial yoke, they condemned their politicians to a very dull life.

Tory radicalism failed to give people any sense of a stake in national prosperity

The US still enjoys global supremacy. But the distressing economic challenge posed by the Japanese has sadly depleted the resources of England's hereditary aristocracy. We are living now in what is known as the Welfare State, which means - broadly speaking - that everybody is completely destitute.

For the British, economic angst is an occupational hazard of having started the Industrial Revolution. The world's economic top dog is condemned to relative decline as other countries grow, even in the midst of absolute growth in living standards.

The result is that excitable commentators experience a similar feeling to people in a stationary passenger train who are convinced they are moving backwards

when another train pulls out of the station.

The most thriving sub-branch of the declinist literary genre is the one that worries about the dwindling role of manufacturing, which now accounts for only 18 per cent of the UK workforce. The worry is more than a century old and has often been associated with calls for protectionism.

Here is the Conservative advocate of tariff reform, Joseph Chamberlain, in 1903:

"Your once great trade in sugar refining is gone; all right, try jam. Your iron trade is going never mind, you can make mouse traps. The cotton trade is threatened; well, what does it matter to you? Suppose you try dolls' eyes... believe me... although the industries of this country are very various, you cannot go on for ever. You cannot go on watching with indifference the disappearance of your principal industries, and always hoping that you will be able to replace them by secondary and inferior industries."

Britain's inferior (ie, growth) industries enabled the economy to expand at an annual peacetime rate of around 2 per cent for the rest of the century. Such concern about manufacturing is a replica of the 19th century worry about agriculture. Between 1816 and 1914 agriculture's share of gross national product fell from 20 per cent to less than 7 per cent. Many late Victorians and Edwardians were convinced that this sapped the nation's strength and would leave it vulnerable in the event of war.

Not so. The real threat was to the existing ruling class. For as the historian Lewis Namier remarked, the arrival of American wheat did more to change the composition of the House of Commons than the first two reform acts combined.

As for political corruption, there is plenty about - as usual. And any ethical decline in the relations between ministers and

industrialists is probably more than offset by the cleansing impact of privatisation and liberalisation, which have reduced ministers' powers of business patronage.

Why is it that declinism in Britain is enjoying a renaissance today? Imperial overstretch is, after all, a thing of the past. We now suffer from welfare overstretch, reflected in endemic budget deficits. But so does everyone else.

Part of the answer is that the transmission mechanism that leads from economic growth to a sense of well-being has broken down. Bracing Tory radicalism gave confidence and share options to the business community, while failing to give ordinary people any sense of a stake in national prosperity.

In the workplace, aggressive human resource management has replaced paternalism. Resulting insecurity has not been mitigated by any sense of increasing wealth stemming from a soaring stock market. For while popular capitalism through privatisation has widened share ownership, few new owners have bought non-privatised shares.

Meantime, the standard occupational pension scheme delivers a pension related to pre-retirement pay, not to the underlying investments.

So the phenomenal rise in equity values has done more to cheer up pension fund managers and their company sponsors than pensioners.

As for those heavily dependent on the state basic pension, the shift from a link to earnings to one with prices has excluded them from a stake in economic growth.

Means-tested welfare, with its disincentives to work and saving, has made it difficult to re-integrate groups such as the unemployed and the homeless into the system.

If the Conservatives lose the coming election, it may be because their version of capitalism, for all its strengths, has delivered a feelgood factor to companies, but not to individuals. The Marxist alienation phenomenon experienced by workers on mindless production lines in the 1960s has been externalised: labour market insecurity and income inequality are its new manifestation.

Paradoxically, the Euroscepticism that now splits the Conservative party may be a sign that confidence is returning to the British political class and that declinism may soon be on the wane. But that confidence has yet to percolate down to the British people.

The challenge for any incoming government is to discover a distinctively British way of doing what comes more naturally to the Germans and Japanese. In other words, to find a more humane form of capitalism that gives ordinary people what former chancellor Lord Lawson has called "a stake in the future".

This article is based on John Plender's book *A Stake In The Future: The Stakeholding Solution* (Nicholas Brealey Publishing, tel: 0171-430 0224, £16.99), out next week.

THIS WEEK'S CONTENTS



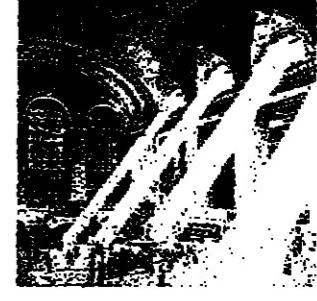
Page III Lunch with the FT
Ruby Wax - in real life

The previous night she had been on TV in a negligee showing a massive cleavage, sticking her hand into the trousers of a Belgian.'



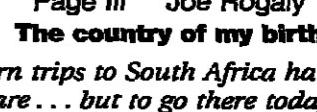
Page IX Sport
Tiger, Tiger, burning bright

'Everything that golf lacked has been granted to this fresh-complexioned youth with a smile that could light up a coalmine.'



Page XII Destination Grand Central

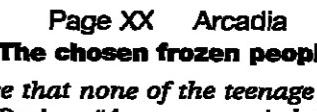
'Three huge windows have been unblocked, admitting a cascade of sun and revealing a view that New Yorkers have never known.'



Page III Joe Rogan

The country of my birth

'Return trips to South Africa have been rare... but to go there today is to take a holiday from cynicism.'



Page XX Arcadia

The chosen frozen people

'I notice that none of the teenage girls are wearing Parkas. Are you worried that Parkas make you look fat?' My sisters nod.'

Arts	VII, VIII	Lunch with the FT	III
Artsguide	XX	Motoring	XV
Books	V, VI	Persepolis	II-V
Bridge, Chess, Crossword	XX	Property	XVI, XVII
Collecting	XVII	Small Businesses	II
Fashion	X	Skiing	XII
Food & Drink	XV	Sport	IX
Gardening	XVII	Travel	XII, XIII
How To Spend It	X, XI	Weekend Investor	XII, XIII

0990 29 29 29

Make flying with
easyJet your
New Year's
resolution

Daily Scheduled Services

4 x Glasgow £29

4 x Edinburgh £29

3 x Aberdeen £29

1 x Inverness £29

3 x Amsterdam £35

1 x Nice £49

1 x Barcelona £49

All fares single, from, excl. tax.

Do not require a Saturday night stay.

From London Luton airport.

easyJet

Call 0990 29 29 29 anytime

ATOL 4053

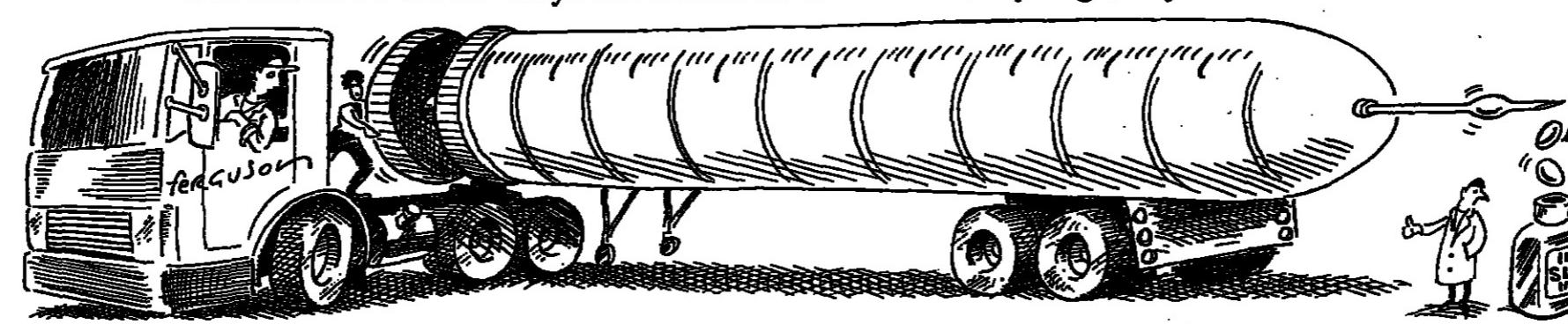
PERSPECTIVES

The isolation of insulin 75 years ago by the Canadian scientists Frederick Banting and Charles Best was one of the most important life-saving discoveries in medical history. It converted insulin-dependent diabetics from a fatal to a treatable disease, and by the late 1920s many thousands of diabetics worldwide were injecting themselves with insulin extracted from pigs and cows.

At that time scientists were already looking for a more pleasant and less damaging way to administer the vital hormone, which enables the body to metabolise sugars. The challenge was to liberate diabetics from the tyranny of the syringe, by formulating insulin in such a way that it could be taken by mouth. They have not yet succeeded.

Admittedly, today's throw-away syringes with ultra-thin needles (and pre-filled injection "pens") are a huge improvement on the ground glass syringes of the 1920s. And the insulin itself - human hormone produced by genetic engineering - produces far fewer side-effects than the impure animal insulins available then.

But many diabetics still yearn for an alternative to



The search is on for ways for diabetics to avoid the syringe, says Clive Cookson

injection. A number of projects in the biotechnology industry, designed to deliver protein molecules, such as insulin, in other ways, are giving rise to cautious optimism.

Cortecs International, a UK company based in Isleworth, west of London, and Inhale Therapeutic Systems, a Californian company in Palo Alto, have two of the most advanced projects. Cortecs is just beginning clinical trials of "oral insulin", while Inhale is developing an alter-

native system, based on absorbing insulin through the lungs.

All the medicines we normally take by mouth are small molecules, which pass through the bloodstream through the lining of the stomach and intestines, without being broken down by our digestive enzymes. But insulin - a much larger natural molecule - is quickly destroyed by the enzymes before absorption.

Past projects to develop oral insulin have involved

coating the hormone in a protective layer, such as gelatin or biodegradable plastic, to prevent its quick digestion and then release it through the intestinal walls. None has given sufficiently reliable doses of insulin.

Cortecs's technology involves dispersing the insulin in an oil, which resists enzyme attack but carries it across the intestinal wall.

Tests with pigs (the best animal model) confirmed that the MacroSol technology, as it is called, could deliver insulin consistently

to the bloodstream. Last year Cortecs carried out the first human tests, with six healthy volunteers; the added insulin not only reached the bloodstream but also changed a key biochemical "marker", showing that it was having an effect on the body.

The next step, to be taken early this year, will be to administer capsules of the Cortecs formulation to diabetic patients. If it works, there should be a fall in their blood sugar and rise in

circulating insulin levels. But several years of large-scale clinical trials will be needed to convince the regulatory authorities that it is safe and effective.

Cortecs aims to develop oral insulin first for type II diabetes, the less serious form of the disease which occurs mainly in adults.

These patients produce some insulin in their own pancreas, unlike type I diabetics, and are therefore more tolerant of varying doses of added insulin.

Michael Flynn, Cortecs president, says that if oral insulin establishes a successful track record in type II diabetes, it might then be used in young type I patients to reduce the need for injections and delay the onset of disease.

Inhale of California is collaborating with Pfizer, the American pharmaceutical giant, to develop its "pulmonary delivery system". It involves breathing an extremely fine powder of insulin particles deep into the lungs, where they pass into the bloodstream.

The Inhale system has been tested on more than 100 patients over the past three years and is now beginning more extensive clinical trials. The company says that, unlike oral insulin, the pulmonary system is as reliable and reproducible as injections, so it would be suitable for Type I diabetics.

But as John Patton, Inhale's head of research, says, both oral and pulmonary routes will require long-term clinical experience before doctors can be confident that it is safe to transport insulin daily across the membranes of the lungs or the gastro-intestinal system.

Given the history of disappointments, diabetics should not expect to throw away their syringes for some time.

Minding Your Own Business

Tending the blooms of the beautiful

Lisa Bransten meets a former hippy with five greenhouses who cares for the flowers of California's orchid lovers

Boarding schools around the world help the children of the rich and powerful to bloom into productive adults. Kennels mind their pets. But what to do about caring for their exotic plants?

That is the concern of Mary Nisbet who founded California Orchids as a place for people from San Francisco and the neighbouring suburbs in Marin County to send their orchids when the plants are not in flower.

In the 10 years since she started the business, it has grown slowly but steadily from 25 clients to about 270. Along the way the 44-year-old Nisbet has been forced to transform herself from a plant lover with almost no understanding of the cold hard numbers of business into an entrepreneur who brings in enough revenue to pay her growing staff.

She loves to take her wealthy clients around her greenhouses to show them what she has built in the tiny town of Bolinas, about an hour up the coast from San Francisco along a particularly testing stretch of Highway One.

"They think I [am] just some girl with a greenhouse," she says. "When they come out here they're shocked that I have a real operation with five greenhouses and 15,000 plants and five employees with paid vacations."

The business, which has grown entirely by word of mouth, has benefited from its stable of name-brand clients such as Robert and Colleen Haas, of the family that

founded clothing giant Levi Strauss.

Nisbet has also captured a piece of the exploding interest in orchids. Sales of potted orchids have grown threefold to \$90m since 1986, estimates Ned Nash, director of education and conservation at the American Orchid Society. He adds that Nisbet probably benefits from being near San Francisco, which is one of the leading floral mar-

'If I hadn't been so naive I never would have done it. I would have been too overwhelmed'

kets in the US. "It's arty, they're very much concerned with having beauty around them," he says. And equally importantly, he adds. "It's a very affluent city."

Even with a minimum charge of \$420 a year for about 9 sq ft in her greenhouse, Nisbet has a waiting list of about 15 people. And she has intentionally had to restrain the growth of her company to ensure that she can meet the demands of the clients she already has.

"Because it's a service business you have to limit what you're doing," she says. "When a new client calls, if I'm wondering 'When do I have time? Can I make room for them?' then I don't take them because I

haven't got all the bits of it right, was the endless drilling."

But for me the real joys of the cadet force were the "arduous training weekends", when groups of us would hike through the countryside for two days and nights. Sussex may not appear the most rugged of counties but crossing the Pevensey Levels in a snow-storm is no joke.

Half way through each weekend I vowed never again to submit myself to the aching shoulders, the waterlogged boots and the fumbling with paraffin cookers. But as the next weekend approached the appeal re-

won't be able to treat them well."

One factor holding Nisbet back is the location.

Bolinas has largely been forgotten by time since Vietnam protests and love-ins made headlines, and the residents like it like that. So wary are the locals of encroachment by the outside world that they constantly removed the highway sign marking the turn-off for their town. After years of replacing signs, the California Department of Transportation finally put the issue of a highway sign to a vote. Locals rejected the sign.

It is an agreeable environment for a self-confessed former hippy, and very close to her primary customer base in San Francisco, but it can be a difficult one in which to run a business. Many suppliers will not negotiate the steep winding road from San Francisco and the ones that do often have a hard time finding her.

The biggest problem, however, is finding capable, committed employees. "I'm constantly interviewing people who want to know what my sign is and think it would be so mellow working in a greenhouse," she says, "but they don't understand that it is a real job."

Certainly it is not something Nisbet envisaged as a job in 1972 when she left school in Illinois and set off for the University of Oregon at Eugene.

She did not have much in mind except maybe a degree in botany. "I was a hippy so I went to Eugene, which is where hippies went," she says. Of course she neglected

to determine if the university had a botany programme. It did not.

So she stumbled into orchid boarding very much by accident. First she got a job at a nursery in Eugene and later moved to San Francisco to work for one of the largest orchid growing operations in the US. From there she and a former boss formed their own boarding business.

The partnership failed but reasonably amicably and they each took half of their 50 or so clients to set up on their own.

But without her partner

Nisbet was at sea. Bankers laughed at her when she approached them for a loan to buy the Bolinas property.

She had, no business plan and little understanding of the basics of interest rates.

To a certain extent her lack of business sense was a good thing, she recalls: "If I hadn't been so naive I never would have done it. I would have been too overwhelmed."

Ultimately she got a loan for \$350,000 to buy the property in Bolinas through a government programme for small businesses. She borrowed another \$50,000 from her father to fix up the greenhouses which had fallen into disrepair after years of use as a fuchsia farm.

Since then she has paid little attention to the business side of her operation, instead focusing her attention on providing good service and growing beautiful plants.

Evidence of her lack of interest in the business side of the company is her inability to quote immediately the percentage of revenues she pays out in wages or even her profits.

Of late, however, she says she has had to become more efficient at managing finances, making sure revenues continue to grow just to keep up with the rising costs of hiring more people.

Nisbet says that in order to get rich in the orchid business she would have to branch out into retailing and wholesaling, where profit margins are much higher.

But she worries that it would be too easy for a huge company to come in and drive her out of those operations.

Anyway, getting rich is not her aim. Turnover is about \$275,000 a year and she pays much of that out to her employees. After paying herself about \$24,000 - which she says is enough to live on given that she has a charming house on the property - she ploughs most of the rest back into the company.

"If I've made enough money to build another greenhouse then I think I'm a happening person," she says.

■ *California Orchids, PO Box 806, Bolinas, California 94924*

something to help disaffected youth would do better to give its backing to organisations with firmer roots in the local community such as youth clubs or scouts.

Did it have any negative effects on our impressionable young characters? There were opportunities for weapons practice and some boys became quite good shots. But the impression gained from this activity was that rifles were potentially very dangerous. No glamour attached to the ageing 30s we were allowed to use.

The CCF did not long survive my leaving school. It was disbanded in 1965, as the school history recounts, because of the difficulty in finding staff willing to act as officers. The new head, a man of impeccably liberal views, found a use for the disused rifle range. He formed a School Rifle Club.

Chess No 186: 1 Kd2 g1c2 Nbd4 (so the R Kd1 c3 Nf3 and 4 Ne5) and 3 Nh3 creates an impregnable fortress. The RQ is trapped at h6, while the BQ cannot win on her own. The pedagogical 1 Kd2! ensures the QD is mated. Chess No 187: 1 Kd2 g1c2 Nf3 and 4 Ne5 d4. The pawn is captured and the knight is mated.

Chess No 188: 1 Kd2 g1c2 Nf3 and 4 Ne5 d4. The pawn is captured and the knight is mated.

Truth of the Matter

We saw more danger than glamour

Former cadet Charles Batchelor says there are better ways of dealing with disaffected youth

unhealthy interest in weaponry, which we should be attempting to discourage?

The army section spent much of Friday afternoons on map-reading, which was fine for a hiking fanatic, and on learning the parts of weapons. Less interesting, though oddly satisfying if you got all the bits of it right, was the endless drilling.

But for me the real joys of the cadet force were the "arduous training weekends", when groups of us would hike through the countryside for two days and nights. Sussex may not appear the most rugged of counties but crossing the Pevensey Levels in a snow-storm is no joke.

Half way through each weekend I vowed never again to submit myself to the aching shoulders, the waterlogged boots and the fumbling with paraffin cookers. But as the next weekend approached the appeal re-

asserted itself: the satisfaction of completing the course; of carrying all you needed for your own survival on your back, of reaching the top of the final ridge.

Summer holidays offered the choice of army camp but I missed several because of the competing attractions of the scouts' summer camp. The CCF was never able to replace the scouts in my affections, perhaps because I came to it later and partly because it involved spending a lot of time with people who were not my closest friends. The cosy domesticity of scout camp - always in the same field on a farm near Hallingham - contrasted starkly with the bleak army barracks where I lodged for a week in two successive years on Dartmoor and the flat landscape of Norfolk.

What did we learn from these experiences? There is no doubt we acquired a degree of self-reliance based on confidence about our ability to survive in the wild and an appreciation of the importance of team-working.

But did it mould our characters in the way the present



On parade: cadet uniforms mix with school uniforms during Charles Batchelor's schooldays. Would reviving the cadets improve the character of Britain's youth?

JYX/10/10/97

PERSPECTIVES

Joe Rogaly

Dazzled by the masters of the Cape

It's worth staying optimistic about new South Africa



To visit South Africa is to take a holiday from cynicism. I left the country of my birth in 1969, despondent about the future. Return trips have been rare. The last was in 1989, a few months before Nelson Mandela was released. This time, just a week ago, I awaited the president in an ornate antechamber. The stern faces of his predecessors lined the wall: Malan, Strijdom, Verwoerd, Botha... the lot.

The celebrated forgiver has not had the likenesses of his jailers removed. The Union Building in Pretoria is just as President Mandela found it after he won the post-apartheid election in 1994 - imposing, monumental, directly facing the Voortrekker memorial across the hills.

In my trade you meet more or less as many big cheeses as you choose to. The appetite for such encounters wanes. Yet to confront this man turned me into a schoolboy in the presence of a star. One of our party had met him within the past year. The famous smile appeared. "I thought you might fail to recognise me," said the president. My quip - "since I last saw you went to jail" - was met with "I am very well aware of that".

Rumours that he is showing his age, losing his grip, seemed confounded. He spoke to us about the press, which should be critical, a mirror to the government - but as all politicians say, accurate. He was fluent, precise. A master of eye contact, each visitor was made to feel as if he was favoured. It must have been that way when he responded to the invitation of a *barnitzah* boy by turning up at the 13-year-old's ceremony, charming Johannesburg's Jews.

The following morning, along with three colleagues I called on the vice-president, Thabo Mbeki. We sat on the back stoop of what had been former president F.W. de Klerk's house. Double doors of the drive, tennis court discreetly alongside. Through the spacious reception room to the grotto.

Mandela turned me into a schoolboy in the presence of a star

ous Pretoria garden at the rear. My cousin remarked, when I told him, that if I had asked him to bet against such a scenario five years ago I could have won a great deal of money.

Mr Mbeki echoed the president's theme of inclusiveness, of bringing people round. Everything he says in public is weighed carefully, for although he is the supposed dead-cast successor to Mr Mandela he has yet to grapple with the formalities. The matter will be decided at a special convention of the African National Congress at the end of this year. Another supposed candidate is Cyril Ramaphosa, of whom more later.

South Africans are quick to ask "what makes Mbeki tick?" As the next president he would be judged against a towering predecessor, a global legend. Yet he seems self-confident, widely read, possessed of a deep sense of the history of his country in general and the ANC in particular. He approaches every topic with a long run-up, going back to the beginnings of the argument, and taking you methodically forward, as would a tutor.



Ruby Wax: 'Are they getting sick of me?'

Brendan Corr

Black businessmen are few and far between, but are no longer rare

optimists may take that as evidence of its awareness of where the wealth of the country is created.

Too slowly perhaps? Mr Mbeki would acknowledge that the one-party state and nationalised economies have failed Africa. Yet the complaints voiced by many black South Africans echoes loudly: whites expect that the black government will not be successful.

The truth is that it is too early to tell. The ANC has been in power for a mere three years. Progressing at a pace that maintains social cohesion, gingerly seeking broad support for every move, does not promise the Thatcherite wave of quick privatisation that we outsiders look for. Against that, it may avoid disorder on a South Korean scale.

We must keep the positive note. Black businessmen are few and far between, but they are no longer as rare as orchids. Take Mr Ramaphosa. Until May last year this former leader of the mineworkers was known as secretary general of the ANC, the man who negotiated South Africa's new constitution. Today he is deputy chairman of New Africa Investments, the largest black-owned concern, and chairman of Johnson, an industrial holding company developed in the Anglo-American stable.

When we met, around the table of a media business held jointly with Pearson (owner of the FT), the transformation from union leader to politician to boardroom presence seemed complete. South Africans like to speculate on whether Mr Ramaphosa will go back over his tracks. I cannot enlighten you. We discussed fishing. It seems there was this absolutely huge marlin...

I know the negatives. The level of violent crime is terrifying. It has always been there, in the townships. Now that it is beginning to touch the suburbs, the whites are afraid. Well-educated blacks are in short supply, and some young white achievers carry exit papers in their pockets. It will be near-impossible to grow the economy as fast as the population.

Enough. It is easy to doubt I am still head with memories of three outstanding new South African leaders. While my head spins, "the cape of good hope" it is.

But she wasn't looking or sounding on form. Lucy Kellaway finds her guest being far from loud

Could the Financial Times provide a car to take Ruby Wax home after lunch, the publicity woman at the BBC had asked. We don't have cars, I told her, and suggested Wax could take a cab. The problem, she explained, was that Wax could not be expected to get her own car or to pay for it. In that case, I said, I would find her a taxi and give her some money. Thus the difficulty was resolved.

"Hi!" said Ruby Wax, when we met a couple of days later at Nicos Central. "You work for the Financial Times, right?"

Right, I said.

"I've got a question to ask you. I thought maybe someone at the Financial Times would know a personal investor guy."

I said I didn't know anything about personal finance, but that I might be able to ask around.

"I'd really appreciate it. I'd like four or five names of people who are good at this investment stuff. I'll give you my home number."

Up-front and getting what she wanted only three minutes into our lunch, Ruby Wax was behaving true to form.

But she was neither looking nor sounding it. The previous night she had been on television in a negligee showing a massive cleavage, sticking her hand into the trousers of a Belgian celebrity called Jean Claude someone or other. But the woman who faced me was a slight figure huddled in a black overcoat wearing horn-rimmed glasses.

Far from being loud, she was hard to hear above the busy clatter of one of London's smarter restaurants. We looked at the menus, but Wax could not decide. "I gotta ask him," she said, attracting the attention of the waiter. "What do you think is a great starter that's not too fattening?"

He recited a list of incomprehensible dishes.

"So those are your faves?" she said. "Look, I'm cold. Could we move to a table around the corner? I've just had the flu." Our new table was even colder and by the back door. She huddled deeper into her coat.

"So who else do you interview?" she asked me. "Like, anyone?" I mentioned a few names and then asked how she felt being at the receiving end of so many interviews. She bristled. "I don't do that many." But I read at least three last week, I insisted.

"Like, where? It's not like

I'm doing this all the time." I was getting a weird sense of déjà vu. On the previous evening's show she had done a sketch with actor Tom Hanks in which she pretended to be the thin-skinned, temperamental celebrity. Was she still acting the part?

The waiter brought her a lump of something beige covered in bearnaise sauce. "The wrong choice," she said.

I asked if she was finding it increasingly hard to get people to go on her show.

"Why should I? It's not like we are running out of options. We could have had Winnie Mandela in this series. But she had a trial.

"Right, I said.

"I've got a question to ask you. I thought maybe someone at the Financial Times would know a personal investor guy."

I said I didn't know anything about personal finance, but that I might be able to ask around.

"I'd really appreciate it. I'd like four or five names of people who are good at this investment stuff. I'll give you my home number."

Up-front and getting what she wanted only three minutes into our lunch, Ruby Wax was behaving true to form.

But she was neither looking nor sounding it. The previous night she had been on television in a negligee showing a massive cleavage, sticking her hand into the trousers of a Belgian celebrity called Jean Claude someone or other. But the woman who faced me was a slight figure huddled in a black overcoat wearing horn-rimmed glasses.

Far from being loud, she was hard to hear above the busy clatter of one of London's smarter restaurants. We looked at the menus, but Wax could not decide. "I gotta ask him," she said, attracting the attention of the waiter. "What do you think is a great starter that's not too fattening?"

He recited a list of incomprehensible dishes.

"So those are your faves?" she said. "Look, I'm cold. Could we move to a table around the corner? I've just had the flu." Our new table was even colder and by the back door. She huddled deeper into her coat.

"So who else do you interview?" she asked me. "Like, anyone?" I mentioned a few names and then asked how she felt being at the receiving end of so many interviews. She bristled. "I don't do that many." But I read at least three last week, I insisted.

"Like, where? It's not like

our secretary at work had missed the beginning of the Tom Hanks interview and therefore had not realised it was a set-up.

She stared at me stony-faced. "I didn't think people could be that stupid. You should fire her. What am I meant to do, put up a sign on the screen saying: THAT'S IT'S A GAG?" Was this in itself a gag? I didn't think so. I said our secretary was very efficient.

"It was a bullet bra," she explained. They sell them at Nieman's. I wouldn't wear it in real life. It'd change your relationship with the world."

"It was a bullet bra," she said. "I don't read Hello! - well I sometimes look at it on the toilet."

But surely it is required reading for anyone interested in celebrities.

"I know you're being camp now," she said. "Hello! is nothing to do with what I'm doing. I am interested in knowing how they are affected by things. I watch their eyes. I'm not interested

in the accoutrements."

This wasn't strictly true, as her greatest coup was getting Fergie to show her drawers full of colour-coded T-shirts. But I did not want to upset her further, so I kept quiet.

"You'll tell people my show's on Monday nights," she said as she bill came.

"Because otherwise they won't know. It's not a good slot."

"Is my taxi waiting?" she asked. I said I would hail one right away, and she warned me she didn't have any money.

I slipped a £10 note into her hand, saw her into the cab and waved goodbye.

BERLIN AB DM 125 PRO PERSON, PRO NIGHT	BRUXELLES À PARTIR DE 2500 BEF PRO PERSON, PRO NIGHT	HELSEKI ALKAEN 275 MK PER MIO. PER VOL
KØBENHAVN FRA Kr. 348 PR. PERSON, PR. NIGHT	LISBOA DESDE ESC 10,000 POR PESSOA, POR NOITE	MILANO A PARTIRE DA 108.000 LIT A PERSONA PER NOTTE
OSLO FRA Kr. 445 PR. PERSON, PR. NIGHT	RIGA SAKOT NO. 60 USD PAR CELESTE DERNIER	STIRLINGSHIRE FROM £43.00 PER PERSON, PER NIGHT
STOCKHOLM FRÅN Kr. 385 PER PERSON, PER NIGHT		

* Per person, per night, based on 2 people sharing a double room

**At these prices,
the weekend can last all week**

When was the last time you went away for a long weekend? You've got no excuse now, because our special Weekend rates are available every day of the week, as long as you stay a Friday or a Saturday night. Our Super Breakfast buffet is included in the price and up to two children under 18 can stay free in your room, depending

**GREAT
HOLIDAYS**

Radisson // SAS
HOTELS WORLDWIDE

<http://www.radisson.com>

Radisson operates more than 350 hotels worldwide. You can find Radisson SAS hotels in: SCANDINAVIA: Aarhus • Copenhagen [4] • Odense [2] • Bodø • Kristiansund • Oslo [3] • Stavanger [3] • Trondheim • Göteborg • Helsingborg • Luleå • Malmö • Östersund • Stockholm [6] • Västerås. EUROPE: Salzburg [2] • Vienna • Brussels • Helsinki • Berlin • Düsseldorf • Erfurt • Hamburg • Lübeck • München • Neubrandenburg • Rostock • Wiesbaden • Büdapest • Bergamo • Bruselas • Lake Garda • Lodi • Milan [2] • Riga • Amsterdam • Szczecin • Lisbon • Sodra Söderhamn • Stockholm. MIDDLE EAST: Dead Sea [2] • Eilat • Jerusalem • Tel Aviv • Tiberias • Zichron Yaakov • Kuwait City • Dubai. ASIA: Beijing • Shanghai



Tell people my show's on Monday nights!

PERSPECTIVES



Falling into ruin: the white church in Viscri, one of the many fortified buildings of the ethnic German community in south-eastern Transylvania

Vivian Maier

The Saxons' last stand

One community may be dwindling, but it has never had it so good. Virginia Marsh explains

On Sundays, the few remaining ethnic Germans in Viscri, a small settlement in central Romania, climb the hill that overlooks their Transylvanian village to ring the bells and celebrate mass in their magnificent medieval church.

They are among the last representatives of an 800-year-old Saxon community, the end of which – thanks to the collapse of the iron curtain – is fast approaching.

As soon as the borders between east and west Europe came down in 1990, ethnic Germans in Romania emigrated at the rate of thousands a month. Now, a minority that numbered 800,000 in 1938 has dwindled to about 80,000 and some of Europe's finest medieval village architecture is falling into ruin.

Surrounded by tall stone walls with four timbered towers, the white church (the village's name comes from the German *Weisse Kirche*) is just one of hundreds of fortified churches and settlements that adorn the hills of south-eastern Transylvania, in the heart of the arc formed by the Carpathian mountains.

The Saxons were brought to the region by Hungarian kings in the 12th century to colonise the area and defend the borders of Christendom against the Turks who held sway on the other side of the mountains in Wallachia, one of the three main provinces that make up modern Romania.

Their descendants farmed the fertile land, grew rich out of east-west trade and built the seven cities of the Siebenburg – the German name for Transylvania. For centuries, they lived alongside the region's ethnic Romanian and Hungarian populations but retained their traditions, forming a pocket of German culture in a remote part of the Habsburg empire.

"For Christmas 1989, there were 340 souls here," says Saro Dootz, guardian of Viscri's church, pointing to the pews once allotted to the different gender and age-groups. "But by the end of 1990, there were 150 Germans. Now we are down to 40 and we all sit together, men and women, on seats at the front."

It is a tale repeated throughout



'They were wrong to leave': abandoned homes in the Saxon settlement of Viscri

this part of Transylvania, historically the most developed and ethnically mixed of Romania's three provinces.

Villages, which just a decade ago were home to close-knit German communities, lie half-deserted. The once immaculate houses that line the main thoroughfares of the Saxon settlements, joined to each other by common walls and high wooden gates, have been abandoned by the Germans that lived in them for generations. Their coloured facades are crumbling, windows are broken and the terracotta roof tiles have begun to slip.

In place of the Germans there are now gypsies, Romania's most populous and poorest ethnic minority, and a people with different traditions. In Viscri, as well as 120 ethnic Romanians, there are 300 mainly unemployed gypsies, many of whom live in tumble-down shacks in a muddy field on the edge of the village. Dootz, whose granddaughter is the only ethnic German child left in Viscri, traces the beginning of the end of the community to the second world war.

Many ethnic Germans enlisted in the Waffen SS, the overseas division of Hitler's army. Those who survived the fighting, and

in 1990 alone – a movement of people on a scale rarely seen in peacetime.

After 1989, a monuments office was set up to list and protect historical sites, including the Saxon churches. But it was later disbanded by the former Communists who governed Romania until last year.

The official reason was budget cuts. Art historians say, however, that the government, which included extreme nationalist parties, did not attach much importance to preserving the Saxon architecture. The German government is financing a little restoration work as well as a team of researchers to visit every Saxon settlement and record the most important sites.

In Postavaru, one of the researchers, says the church in Viscri is one of the monuments the team believes should be listed as soon as possible. It is one of the best preserved and oldest monuments and was constructed around the remains of a 12th century chapel, probably built by the Szekelys, a Hungarian-speaking tribe that also settled in the area, mainly in a region to the east of Viscri.

Although the rate of emigration has slowed in the past two

years, in many other Saxon villages there are already no Germans left or only a few isolated old people without the resources to preserve their churches.

In Viscri, however, Dootz and the remaining Germans are determined to maintain the white church and to preserve what they can of their community. Situated at the end of a muddy track, several kilometres off the main road, the village, like most in Romania, is a throwback to another age. There is no running water and, until the recent donation of a switchboard from its Belgian twin town, the only telephone was in the post office. The main form of transport is the horse and cart.

Inside the church, Dootz points to the huge vaults where the Saxons used to store grain and to the room inside its thick walls where, until a few years ago, each family hung its side of bacon on a numbered hook.

On the way home, she singles out the houses, abandoned by relatives, which she looks after with her daughter, Caroline. Once inside her courtyard, she feeds the chickens as well as the 12 cats left behind by her former neighbours.

She says the ones who left should have stayed. Since 1990 the Saxons, like other former property owners, have been given back their land and have formed a private farming co-operative. Many also raise animals.

"We Saxons have never had it so good," she says. "In Germany,

life is very different to that in the village and our people have to fight to get by."

In the summer, cars with German number plates are a common sight in villages such as Viscri as the Saxons return to visit their former homes. An office has been set up in Sibiu (or Hermannstadt), one of the seven Saxon cities, for those who want to return permanently. Hardly any have, often because their children have adapted to life in the west but also because, with so few ethnic Germans left, it is too late to rebuild.

"We are so forgotten here. It is the end," says Dootz. "But how could we abandon our old folk and our church which took so long to build? Those of us left will die here."

In its first year, the fund raised £227,000, providing the start of the capital base which allows it to spend from its investments rather than annual fund-raising.

For many years it operated to good effect, always attaching conditions of reorganisation and improved management to aid, which at times made up 10 per cent of the voluntary hospitals' income in London.

In a world of advancing and more costly medicine, however, the fund and philanthropy alone could not sustain them. When the 1945 Labour government proposed nationalisation, the fund reluctantly acquiesced, preferring, like the doctors, national control of hospitals to that of the only other alternative – local government.

Grant-giving continued, but

with the NHS dwarfing its

Health fund lives to a ripe old age

Nicholas Timmins looks at the King's Fund's history of contradictions

What do you do when you have £140m of assets in the bank, were founded by the Prince of Wales in 1987 to celebrate Queen Victoria's diamond jubilee, and are charged with supporting the health care and hospitals of London?

The answer, over a century, is a myriad of seemingly contradictory things from the mundane to the magnificent: design the dozen of hospital beds, a once ground-breaking design which was one of the first to have wheels, height adjustment and storage space for bed clothes – a model seen on every National Health Service ward and of which the NHS still buys 10,000 a year.

Help shift King's College Hospital south of the Thames, to expand the hospital service to the poor of Camberwell; later cause consternation by proposing the closure of 15 of the capital's hospitals to improve its health care.

Help found Private Patients Plan, now Britain's second biggest private medical insurer; then argue vigorously for the retention of the tax-funded, free-at-the-point-of-use NHS as one of the most cost-effective and equitable health-care systems in the world.

Create and, for a long time, run the Emergency Bed Service, a telephone bureau which helps family doctors find beds for their patients. And worry, endlessly, about what you are there for and what to do in the future.

Next week the King's Fund, as the Prince of Wales Hospital Fund for London became known once Edward VII had taken the throne, comes full circle. After the first 50 years supporting philanthropy and the voluntary hospitals, attempting to preserve them from state or local government control, it celebrates its centenary on February 6. It has spent the last 50 years chivvying and harrying the NHS, criticising, analysing and stimulating a system which once it resisted.

The fund's foundation lies deep in the history of UK health care. In the late 19th century, care of the sick was broadly divided between the voluntary hospitals and a patchy network of parish-run infirmaries and fever hospitals. The latter owed their origins to the Poor Law.

On the way home, she singles out the houses, abandoned by relatives, which she looks after with her daughter, Caroline. Once inside her courtyard, she feeds the chickens as well as the 12 cats left behind by her former neighbours.

She says the ones who left should have stayed. Since 1990 the Saxons, like other former property owners, have been given back their land and have formed a private farming co-operative. Many also raise animals.

"We Saxons have never had it so good," she says. "In Germany,

life is very different to that in the village and our people have to fight to get by."

In the summer, cars with German number plates are a common sight in villages such as Viscri as the Saxons return to visit their former homes. An office has been set up in Sibiu (or Hermannstadt), one of the seven Saxon cities, for those who want to return permanently. Hardly any have, often because their children have adapted to life in the west but also because, with so few ethnic Germans left, it is too late to rebuild.

"We are so forgotten here. It is the end," says Dootz. "But how could we abandon our old folk and our church which took so long to build? Those of us left will die here."

In its first year, the fund raised £227,000, providing the start of the capital base which allows it to spend from its investments rather than annual fund-raising.

For many years it operated to good effect, always attaching conditions of reorganisation and improved management to aid, which at times made up 10 per cent of the voluntary hospitals' income in London.

In a world of advancing and more costly medicine, however, the fund and philanthropy alone could not sustain them. When the 1945 Labour government proposed nationalisation, the fund reluctantly acquiesced, preferring, like the doctors, national control of hospitals to that of the only other alternative – local government.

A hundred years on, however,

the fund remains an institution

which if it did not exist, many

would like to invent.

activities, some of the fund's purpose was removed. It entered what its historian Frank Prochaska has dubbed a period of "decent anonymity", designing the famous bed, providing some of the early stimulus for hospices, studying and improving NHS accounting and catering, and training hospital administrators.

Its work retained a London focus, but with its grant-giving role reduced and its own research and training activities growing, it had an increasingly national impact.

After 1980, and the arrival of Robert Maxwell, its present chief executive, the fund's profile rose again and its activities have diversified markedly. Today it is a unique institution with no clear parallel elsewhere in the world: part grant-giver, part think-tank, part training college, a stimulator of projects aimed at improving health care for ethnic minorities and the homeless, part consultancy and audit organisation.

During the frenetic period of the NHS reforms, the then director of its management college, Gordon Best, had the

A new role – but what role? The King's Fund celebrates its centenary

dangerous distinction of advising both Duncan Nichol, the NHS chief executive who was implementing them, and Robin Cook, the Labour health spokesman dedicated to opposing them.

There remain throwbacks to the past. Thirty years on from the original King's Fund bed, it is designing another, fit for the 21st century.

Its independence, and its lack of a single "corporate view", make it an important resource in the highly politicised world of health-care management and reform. But its very diversity leads many to charge that it lacks focus and needs to rethink its role – although few of its critics can agree on what that role should be.

The centenary, the turn of the century, the likelihood of a change of government in the UK and the impending appointment of a new chief executive, all create "a natural point to reconsider", Maxwell concedes. "There will be some new directions, there's no question about that."

A hundred years on, however, the fund remains an institution which if it did not exist, many would like to invent.

Hard liquor gives way to wine

The fruit of the vine has taken Taiwan by storm – and hang the expense. Laura Tyson reports

It was not very long ago that after-hours chugging of expensive cognac in dank and dimly lit karaoke parlours, replete with scantily clad hostesses, was *de rigueur* in Taiwan.

Now the libation of choice among the would-be fashionable classes is wine, preferably French or California red. And these days it is more often leisurely sipped in a posh restaurant or a Chicago-style bar redolent of cigar smoke or one of a myriad wine bars that have sprung up across Taipei, or even at home over Chinese dinner than gulped to ritualistic shouts of "*Gongxi!*" (bottoms up) once so essential to clinching that coveted business deal.

"It's amazing the speed at which wine is displacing cognac in Taiwan," says Wood Chen, who heads an electronics company and collects wine. "Wine started to really become popular about one year ago and consumption of cognac has fallen dramatically ever since."

At the vanguard of the red wine craze sweeping Taiwan are luminaries of the country's busi-

ness elite, such as tycoon Jeffrey Koo of the influential Koo family. He is said to have brought in large quantities of a preferred French vintage on his private jet.

Prominent collectors such as Chen and Kenneth Lo, president of Chinatrust Commercial Bank, Taiwan's biggest private bank, occasionally gather for a dinner party and share over the course of an evening several bottles of rare wines costing as much as \$10,000 apiece.

Many leading political figures, too, have acquired a fondness for the fruit of the vine which, it has been said, makes them susceptible to the occasional gift of a case or two of premium vintage Chateau-Lafite or the like from businessmen desirous of favours.

The wine-imbibing trend – for news reports extolling the healthful virtues of moderate wine drinking – is fast trickling down to the *hot-pot*, with department stores, supermarkets and even coffee shops offering free tastings for customers, accompanied by the patter of a sommelier.

Now that upstanding business drinkers are deserting the hostess bar – no doubt spurred by a moderately concerted crackdown on red-light industries by police authorities – the male-bonding culture of drinking is fast dissipating. Whereas women were once almost universal in abstaining from hard liquor, they like wine – and this has a dramatic effect on sales.

According to figures provided by the state alcohol monopoly, wine imports jumped 73 per cent during the second half of last year compared with the same period in 1995. Nearly half were French wines, and about a quar-

ter American. In December alone, wine imports rose 62 per cent.

Traditionally Chinese tastes in grape wines have tended towards the sweet, even syrupy end of the flavour spectrum; thus a substantial

percentage of the market says Huang.

While the top connoisseurs confine themselves mainly to French vintages, younger collectors are more adventurous in taste, ranging to California, Italian and elsewhere. For the moment, however, fashion is determining taste rather than money or other way around.

Huang expects the retail market in wine prices to rise by 15 per cent next year, so he will not hesitate to speculate on the next few years. "Actually it's hard to say whether I'm a collector or an investor," he says.

Chen reckons wine prices will rise 15 per cent next year, so he will not hesitate to speculate on the next few years. "Actually it's hard to say whether I'm a collector or an investor," he says.

In any case, retail prices which are double or triple those of foreign-age wine consumers.

"The belief is in this country, it's expensive, it's good," says Jackson.

He reckons that Taiwanese

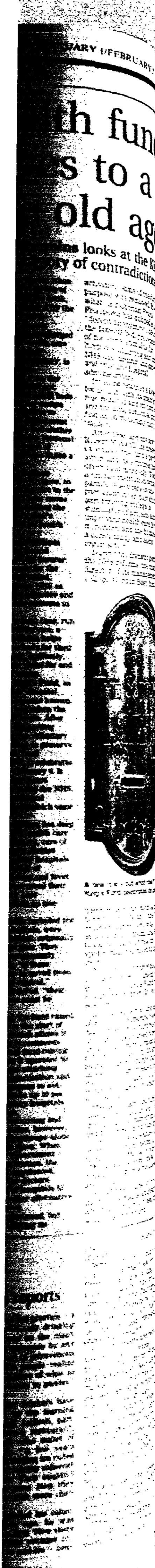
people are beginning to realise that cognac is meant to be savoured,

not gulped down.

When Chen started his collection seven years ago, he was

among Taiwan's first.

Now there are more and more younger collectors – early to mid-30s – com-



Hooked on a trumped up pack of lies

A.C. Grayling on why tarot cards have been so successfully adapted for occult purposes

Credulity, insincerity and desire form a potent combination in the human psyche. Together they make us eager to believe any nonsense if it purports to yield a glimpse of the future, or offers even the slenderest hope of success in love or fortune. On this rests the livelihood of many tricksters and charlatans - the crystal-ball gazers, palmists, astro-

logers, and readers of tarot cards.

In 1980 Michael Dummett published a book on tarot, a complex card game invented in the 15th century. Something like bridge, it turns on capturing tricks. Originally called "trionfi" ("triumphs" or "trumps") it involves - as the name suggests and again like bridge - trump cards which can capture tricks by outvaluing other cards played to the table.

The standard tarot pack consists of 78 cards, of which 56 are distributed into four sequentially numbered suits called Cups, Coins, Swords and Batons, each of which has four Court cards (a Knight joins the usual three). The remaining 22 are "unsuited picture cards, and they constitute what is distinctive about the tarot pack. One, the Fool, stands by itself; the other 21 are numbered in sequence and depict such subjects as a Hanged Man, a Devil, a Wheel of Fortune, the Moon, a Pope, and an Emperor.

In first discussing tarot and its history, Dummett took pains to distance the game from occult and divinatory uses of tarot cards. Recognising that his strictures have not been heeded, he here returns to the fray, aided by two collaborators, to show definitively and finally that occult applications of tarot cards are not only bunkum but exceedingly recent bunkum, dating from the late 18th and early 19th centuries.

So successful is their onslaught that the authors not only demolish the occult tarot but (so to speak) the whole house of cards involving

among the resulting beliefs were that tarot cards constitute a secret book of the universe, from a reading of which *everything* can be learned.

We think of 18th-century France as the crucible of Enlightenment; yet it was simultaneously awash with Freemasonry and interest in the occult, especially in the latter half of the century. There is no contradiction here; every movement of thought carries its opposites with it.

Levi developed a theory

out of this rapidly evolving

"tradition", formulating a Cabalistic tarot in opposition to Etteilia's hermetic one.

But it was left to a disciple, one Gerard Encausse, who called himself Papus (1865-1916), to popularise it, for whereas Levi had few literary skills, Papus could write. He systematised Levi's teachings, and his writings inaugurated the main stream of occult tarot practise known to day.

The Star from the Marseilles pack: one of the more benign unsuited picture cards in the tarot pack

The key to the tarot pack's occult use is the enigmatic and somewhat chilling array of figures on the trumps. "The Hanged Man", "The Wheel of Fortune", "The Devil" hint darkly at mysteries and prompt a

frisson. In his first book Dummett argued that whatever they meant to their first devisers, the private meanings of these figures are now lost. This of course is exactly why they are so apt for occult purposes. The

recipe for nonsense is: take something strange-looking, whose meaning is now forgotten, and liberally stir in imagination and superstition.

The authors tell an absorbing and surprising tale. It

is not over: a forthcoming second volume promises to extend the story beyond Papus and France to the 20th-century Anglophone world, where the occult tarot now vigorously flourishes.

Pruys sketches the early years of Kohl in the political

Fear of flying

Nick Curtis on two books to avoid buying at airports

error or mechanical failure?

It is the job of Casey Singleton, Norton executive and resilient, all-American single mother, to find out. Her investigations are complicated not only by the culturine attentions of the media but also by sinister goings-on at the Norton plant.

This is Crichton's skill and also his downfall. As in previous novels, he plays like a master on common fears while easing the reader into an unfamiliar world: behind this, though, there often looms the suggestion of a dark conspiracy that makes no sense at all.

Airframe is a typically compulsive page-turner from the man who has made a best-selling career out of playing on contemporary neuroses. Here, Crichton dazzles the reader with enough pre-masticated technical details and cliff-hanging chapters to mask the essential absurdity of the plot.

The story concerns the investigation into a mid-air accident aboard a "Norton N-22" jet, in which the aircraft was shaken so badly that three people died and most others on board suffered horrendous injuries. Was it human

investigation, but into the fuselage of a pitching plane itself. With such attributes, who cares if the plot is revealed to be? *Death*

In *Black Box*, Nicholas Faith has no need for

AIRFRAME
by Michael Crichton
Century £16, 352 pages

BLACK BOX
by Nicholas Faith
Bantam/Channel 4 books £14.99,
192 pages

external threats or murky conspiracies; the events and statistics listed in his litany of death and disaster speak quite scarily enough for themselves.

Black Box is a cogent, and comprehensive, if somewhat morally suspect attempt to analyse the causes of air disasters. Recording hideous crash after hideous crash, he teases apart the many, often related, factors that combine to bring a plane down with huge loss of life.

The cover describes it as "the book every air traveller should read". I somehow doubt that many copies will be shifted in airport book

shops. *Black Box* is a tough, stodgy read, but an alarming one nonetheless.

Most of Faith's data comes from interviews with crash-scene investigators - or "tin-kickers" - from the Channel 4 series *Black Box*, backed up by meticulous archive research. He lacks Crichton's common touch, and in quoting many tin-kickers at length, he tends to get bogged down in technical detail and aviation jargon.

Nevertheless, his true tales are terrifying, especially those cases where the ineptitude of rescue services have resulted in unnecessary deaths.

Scholarly though the book seems to be, it's hard to shake the feeling that Faith is indulging in a comparable but rather less honest form of voyeuristic scarification than Crichton.

The distaste this engenders - after all, these deaths are real - is compounded by an unmasking strand of off-hand racism. While Faith is judicious in his condemnation of manufacturers, airlines and aviation authorities all around the world, he tends to be more dismissive of the French, the Germans and "primitive" third world nations than of the British and Americans.

And finally, for a book that concentrates so critically on safety checks and attention to detail, *Black Box* is riddled with typographical errors. The fact that Faith's editors are obviously less meticulous than the "tin-kickers" does the book no favours.

Richard Klein is neither a food writer nor a diet guru. Like many Americans - about half the population, according to the latest figures - he is way above his ideal weight, a condition he has worried about for most of his life.

In that sense, he is exactly the kind of person the slimming industry targets with its hip-and-thigh diets, pills and exercise regimes. Instead of searching for a miracle cure, however, Klein has chosen to write a daring, lucid book about what it means to be fat.

Let me be clear, he writes engagingly. "I am no expert in these matters. I'm a French professor and a writer. I'm only a fat layman, who is interested in what is happening to fat in the world around me and on me".

One of the things that has happened to fat, he claims, is that its meaning has undergone a startling reversal in the 20th century. For hundreds of years, fat was valued on animals and people, as a signifier of health and plenty. Now, whether it comes in the form of cholesterol or chubby thighs, we shy away from it and cultivate an anorexic ideal which would have horrified Rubens and Watteau.

One of the delights of this book is Klein's frank admiration of the erotic pleasure he finds in this older, fuller type of female beauty. "The chunky butts on women in Boucher are full of fat," he lists admiringly. "The fat of a breast, the heft and

exaggerated, a section of the book which isn't as convincing as he intends it to be. Where he is spot-on, however, is in his denunciation of dieting. "There is abundant evidence to suggest that attempts to curb your appetite voluntarily encourage the body to make fat, incite the impulse to binge, and are the precipitating cause of many eating disorders".

EAT FAT
by Richard Klein
Picador £15, 247 pages



Politics? a piece of cake

Heinz Schulte reviews a biography of Helmut Kohl

In October 1996 Helmut Kohl became the longest serving Chancellor in post-war Germany, having overtaken his political mentor and first Chancellor of the Federal Republic of Germany, Konrad Adenauer. As was to be expected, an array of books and pamphlets has been published hailing the chancellor of German unity. Titles such as "I always wanted German unity" smack of political justification after the event.

Yet the occasion of Helmut Kohl's anniversary in office has been sombre. Instead of celebrations, an economic hangover has gripped Kohl's coalition government. Meeting the Maastricht stability criteria in 1997 for the introduction of the European currency is no longer a foregone conclusion in Germany. Some observers compare the current Kohl reign to the final days of Margaret Thatcher in Downing Street. While there is no Brutus in sight to sink in the political knife, distinct rumblings in the ranks of both the junior liberal coalition partner (FDP) and Kohl's own Christian Democratic Party (CDU) are discernible.

One book defies the inevitable flood of jubilee memorabilia: the Bonn based journalist Karl Hugo Pruys - not necessarily a member of the Helmut Kohl Appreciation Society - has written a detailed biography called *Helmut Kohl - Genius of the Present*. Elegantly translated into English by Kathleen Bunten, the book also contains an essay by Jean-Paul Picaper, Le Figaro correspondent for Germany, on the Franco-German agenda written in masterly gallic prose.

Pruys gives a fascinating and little-known account of the way in which Kohl has been controlling fiery independent local party bosses and a stubborn Bavarian coalition partner moulded by his arch rival, Franz Josef Strauss. Pruys describes the manner in which Helmut Kohl "steamrollers" friend and foe alike by telephone, using his little black notebook, which seems to contain all relevant data including the birthdays as well as the telephone numbers of useful people.

Pruys also describes the day Kohl arrived as party chairman in Bonn. "Before Kohl sat down at his desk on the tenth floor of the CDU skyscraper in Friedrich-Ebert-Allee to familiarize himself with his work, he first considered his eating habits. There was a cafe near the party headquarters where he could buy his strawberry cake and cream for DM17 (out of his own pocket). He would hand the cake out to the secretaries in the reception area, who were completely unused to such jovial treatment of personnel". To understand the politician Helmut Kohl is to appreciate "Helmut Kohl the Indulgent".

down and sink into the accommodating pillows of my fat couch".

In that sense, his book is an agonised and not wholly successful attempt to promote not so much "fat acceptance", which he regards as a modified form of self-loathing, but the full-bodied appreciation of fat which existed in previous centuries.

There is a slight sense of displacement here, as though Klein finds it easier to admire other people's round flesh, especially when it carries the label "art", than his own.

But his other message, that people would feel happier with themselves (and might even be thinner) if they ate what they wanted, when they were hungry, instead of alternately fasting and binging, seems incontestable.

In developed countries and especially the US, human beings have lost touch with their appetites, leading to a situation where they munch snacks throughout the day instead of regular meals when they are hungry. *Eat Fat* is a rare attempt to break this habit and, unlike most diet books, it does it in a thoroughly engaging and original way.

An appetite for pleasures of the flesh

Joan Smith on an entertainingly original anti-diet book

weight of fat that surrounds a beautifully formed nipple - the shape and roundness of that fat invites fondling".

This is true up to a point, but what about the health issue? Isn't obesity, which is what Klein is talking about for the greater part of his book, associated with a host of unpleasant diseases and premature mortality?

Klein's argument is that these connections have been

stating: only four per cent of dieters manage, when they return to eating normally, to keep their weight down. Three-quarters of dieters are actually fatter three years after they begin trying to control their weight, a figure that rises to 95 per cent after five years.

Dieting, in other words, exacerbates the problem instead of alleviating it. (What Klein doesn't add, but I have long believed to be true, is that dieting is a symptom of a disordered relation to food rather than a cure.) But even if we accept for a moment Klein's thesis that being overweight causes fewer health problems than is usually claimed, surely it makes people physically uncomfortable?

Klein himself writes vividly about how it feels to be fat, and the tyranny it exerts over his life: "I look in the mirror and register fat; I push against the sink and notice my paunch. I change clothing and notice, stand up and feel it bearing down, he

NEW AUTHORS
PUBLISH YOUR WORK
ALL SUBJECTS CONSIDERED
Poetry, Prose, Fiction,
Religious, Poetry, Children,
AUTHORS WORLD-WIDE INVITED
WRITE OR SEND YOUR
MANUSCRIPT TO

MINERVA PRESS
2 OLD BONDSTREET, LONDON W1 2SR

BOOKS

Andrew Scull is Professor of Sociology and Science Studies at the University of California, San Diego. He is a distinguished, scrupulous scholar whose book *The Most Solitary of Ambitions: Madness and Society in Britain, 1700-1900* (Yale, 1993) was deservedly praised. This new book is a sequel; but one which approaches the subject from a different point of view. Scull and his co-authors have chronicled the development of psychiatric practice in the 19th century by examining the biographies of the medical men who became regarded as leading specialists in mental illness.

Before 1800, most mad individuals were either kept at home, or left to roam the countryside, along with beggars, criminals and other vagrants. If their families were able and willing to pay, a few were confined in small madhouses, cared for by doctors who increasingly claimed special

knowledge of insanity. Some of these places were horrific, but others were administered humanely. Until the beginning of Victoria's reign, the asylums contained more than 100,000 inmates. Institutions which, at mid-century, held fewer than 300 patients, had expanded to house over 1,000: vast receptacles largely devoted to the confinement of those without hope.

The Industrial Revolution, the establishment of capitalism, and the growth of population led to the building of asylums in which the insane could be compulsorily confined. Asylums were often built at a considerable distance from the homes of the population they were designed to serve, making it expensive and difficult for their relatives to visit them. The out-of-mind were banished out-of-sight.

These huge asylums became dumping grounds for society's

misfits, with far too many patients and far too few staff for there to be any possibility of individual treatment. At the end of Victoria's reign, the asylums contained more than 100,000 inmates. Institutions which, at mid-century, held fewer than 300 patients,

had expanded to house over 1,000: vast receptacles largely devoted to the confinement of those without hope.

However, the need for administrators to organise and run asylums promoted the idea that there could be specialists in lunacy and the medical profession took good care that this new speciality should remain in their hands. The specialists were first known as "mad-doctors", then as "alienists", and finally, towards

the end of the Victorian era, as "medical psychologists" or "psychiatrists".

The custodial care of the chronically insane was not attractive to ambitious doctors, and until well into the 1940s it remained true that many of the medical

officers who worked in asylums were doctors of poor quality. But there were always exceptions, and Scull and his colleagues have provided some striking examples of alienists who became reformers.

Among them are John Conolly and his son-in-law Henry Maudsley. Conolly was a tricky character. At first he supported the idea that no lunatic should be confined in an asylum unless dangerous to himself or to others. But two decades later, when he needed to make a living from a private asylum, he declared that a huge range of eccentric and immoral behaviour preceded frank insanity and required treatment in an asylum if madness was to be prevented.

His chief claim to fame is that, while superintendent of the huge asylum at Hanwell, he abolished the chains, cuffs, leg-locks and other methods of physical restraint which were then customarily applied to lunatics: in fact, the inspiration behind abolition was a young doctor called Robert Gardiner Hill, who never received the credit due to him.

Henry Maudsley died in 1918, but his name lives on. His bequest of £30,000 to the London County Council resulted in the building of the Maudsley Hospital, which was opened in 1923 as an alternative to the asylum: a place in which acute mental illness could be treated early, research into mental illness carried out, and in which physicians

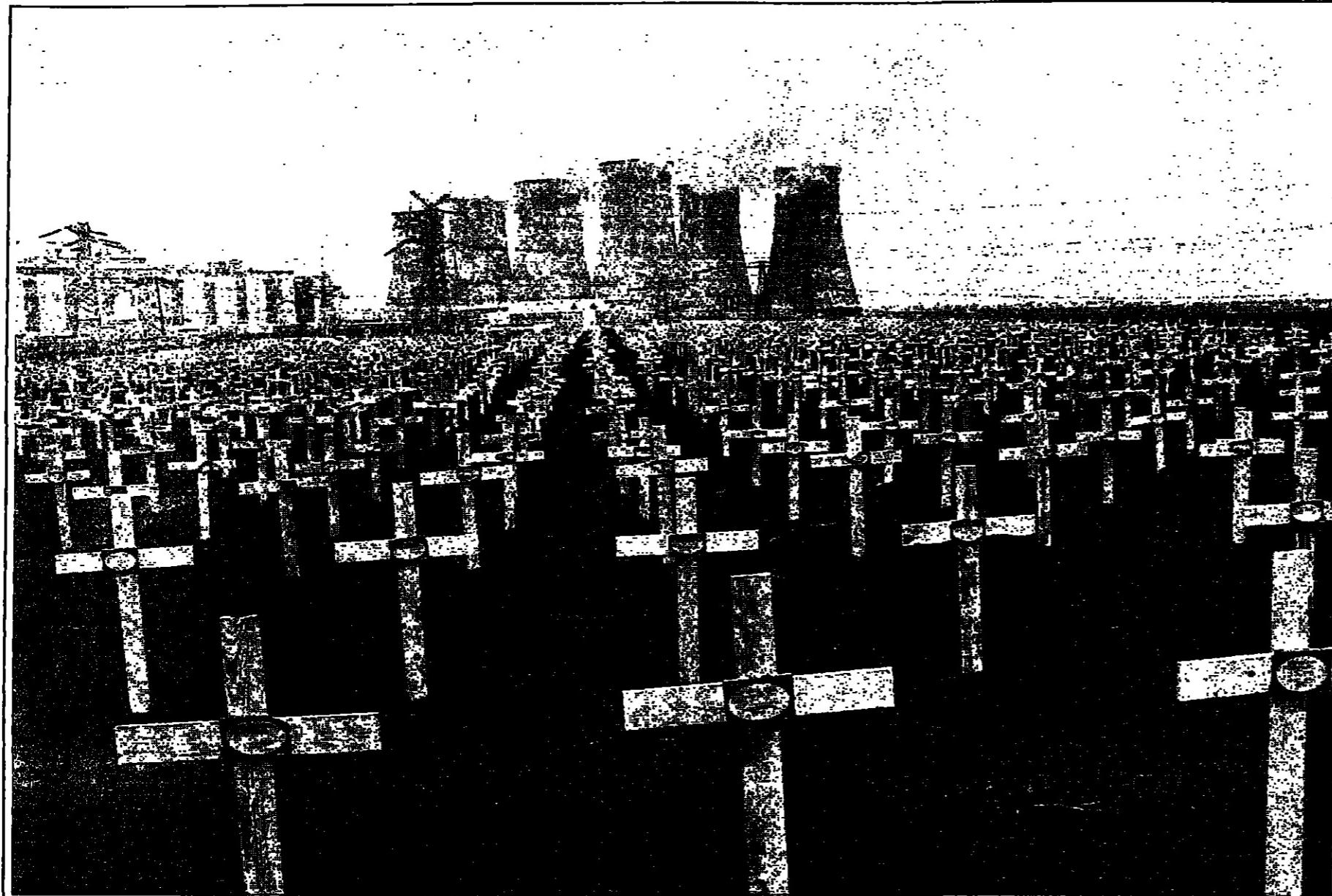
could be trained as specialists. The Maudsley, together with its associated Institute of Psychiatry, is still the premier centre for psychiatric research and training in England.

But Maudsley, although a notable critic of asylum practice, was an aggressive, humourless, cynical individual, who showed contempt for his colleagues and who wrote an offensive obituary of his father-in-law, Conolly. Maudsley stated that the constitutional inferiority of women was "a physiological fact". He also believed in the inheritance of acquired characteristics, and concluded that immoral and evil behaviour in earlier generations caused degeneration and insanity in their descendants.

This admirable account of the development of psychiatry in the 19th century provides many insights. One is that effective reformers are not the gentle, kindly humane individuals which popular myth supposes.

Out of mind, out of sight

Anthony Storr on the disturbing story behind the custodial care of the insane



Photographs from the front line: the Bohunice nuclear power plant, Czechoslovakia, included in a collection of pictures published to mark a quarter of a century of Greenpeace campaigns. "Witness: Twenty-five Years on the Environmental Front Line", by Kieran Mulvaney and Mark Warford, includes an introduction by the Dalai Lama (Andre Deutsch, £20).

Moonlit meetings with the unknown

Jeremy Gavron on the intrepid early journeys made by two of the last great explorers

What makes an explorer? These accounts of youthful adventures, a decade before Thor Heyerdahl was to sail the Pacific ocean on a balsa raft and Wilfred Thesiger was to cross the desert seas of Arabia on a camel, tell how two very different young men first set out to follow in no-one's footsteps – or at least no white footstep.

Thesiger couldn't have asked for a more appropriate beginning to the life he later chose. He was the first British child born in Abyssinia, where his father was the British Minister. At the age of six he watched Ras Tafari's army pass below the legation on the way to fight Negus Mikael, and the sight "made a profound impression on me, implanting a craving for barbaric splendour, for savagery and colour" that grew into "a distaste for the dull monotony of our modern world."

After Eton and a year at Oxford, Thesiger was invited back to Abyssinia for the coronation of Ras Tafari as Haile Selassie, and spent

a month hunting along the banks of the Awash river, north-east of Addis Ababa. Two years later he returned to search for the source of the Awash.

The *Danakil Diary* is made up of his edited diaries from these two expeditions, interspersed with letters to his mother. He was only 24 by the end of the second journey, and the writing here lacks the stark lyricism and considered narrative of *Arabian Sands* and *The Marsh Arabs*.

But the Thesiger sensibility is already well-formed. Finally catching up with the elusive Sultan of Aussa, he writes that "this moonlight meeting in unknown Africa with a savage potentate who hated Europeans was the realisation of my boyhood dreams. The knowledge that somewhere in this neighbourhood three previous expeditions had been exterminated, that we were far beyond any hope of assistance, that even our whereabouts were unknown, I found wholly satisfying."

In *The Danakil Diary* Thesiger marches straight-backed through the harshest dangers and discomforts, shooting everything that moves and recording anything to do with killing or castration (a particular interest for both the Danakil tribesmen and Thesiger), apparently unaware that every

ers. As the title of his book suggests, he was an early green.

Heyerdahl's boyhood was as commonplace as Thesiger's was unusual. He grew up in a small coastal town near Oslo, from where he watched ships steaming away to the far reaches of the world. No more enamoured of the modern world than Thesiger – "I don't like machinery" he told a bemused schoolteacher – he was drawn not to barbaric savagery, but with a religious wonder to nature, and in 1936, at the age of 22, he set off with his wife, Liv, in search of Eden.

The closest they could find was the Marquesas Islands in the South Pacific, and here the Heyerdahls arrived with scarcely more than a cooking pot, a machete and Liv's wedding dress. Sleeping in a bamboo hut, living on coconuts, bananas and prawns they trapped in a stream, they were initially "happy as children", but it wasn't long before serpents, or rather giant poisonous centipedes, began wriggling into their paradise.

First Christian rivalries among

the islanders, then boils, then mosquitoes threatened their experiment in the good life, and finally, after a year, the giant centipedes which were slipped into their hut by drunken islanders persuaded them to leave; though not before the constant easterly wind on his bare chest had set Heyerdahl wondering whether Polynesia hadn't been settled from South America – the question he would set out to answer on his Kon Tiki expedition.

Green was the Earth on the *Seventh Day* is part account of this year in the Marquesas; and part environmental tract, wandering back and forth over a life of exploration and ideas. At times Heyerdahl slips into a fuzzy mysticism that is hard to digest after Thesiger's sun-baked prose, but while Thesiger strides ahead with blinder clarity, Heyerdahl travels with his eyes and mind open, trying to understand and wanting to use that understanding to prevent the explorer being immediately followed by the exploiter.

Green was the Earth on the *Seventh Day* is part account of this year in the Marquesas; and part environmental tract, wandering back and forth over a life of exploration and ideas. At times Heyerdahl slips into a fuzzy mysticism that is hard to digest after Thesiger's sun-baked prose, but while Thesiger strides ahead with blinder clarity, Heyerdahl travels with his eyes and mind open, trying to understand and wanting to use that understanding to prevent the explorer being immediately followed by the exploiter.

Icfields is a one-volume account of the political world he describes, one of passions and illusions. The account of Coningsby's schooldays at Eton is full of high-spirited charm. "At school," D'Israeli writes, "friendship is a passion. It entrances the being; it tears the soul. All loves of after-life can never

people who let him forget that "he had still in some degree the misfortune of being a responsible member of society."

D'Israeli's plot, meanwhile, rattles along, enlivened by some brilliant social satire, conversations full of political and moral ideas and a nail-biting will-reading scene as a finale. When the film-makers have finished with Austen, Eliot and Trollope, they may well turn to D'Israeli. What the "new generation" demands, D'Israeli seems to suggest, is visionary leaders preaching one-nation Toryism. Thanks to sheer brilliance of personality, for instance, Coningsby stands for and wins his grandfather's seat, even gaining the support of Millbank, whose beautiful daughter he marries. In Millbank's paternalistic factories, he sees the pieties of conservatism worked out for the benefit of the working-man:

"Your situation," said Coningsby, looking up the green and silent valley, "is absolutely poetic."

"I try sometimes to fancy," said Mr. Millbank, with a rather fierce smile, "that I am in the New World."

Fiction/Iain Finlayson

From exploration to exploitation

On August 17 1888, Dr Edward Byrne slipped on the ice of the Arctic glacier in the Canadian Rockies and fell into a crevasse. Sixty feet down, wedged between the crevasse walls, Byrne waited for rescue or death. Looking into the clear ice, he seemed to see "a pale human figure, with wings... one of them cracked obliquely near the tip, the broken pinions slightly detached."

FT BOOKSHOP

To order any books reviewed on these pages from anywhere in the world please call +44 181 324 5511 or fax your credit card details to: +44 181 324 5678

Cheques (UK and Eurocheques only) can be sent to: FT Bookshop, BVCD, 250 Western Avenue, London W3 6XZ

E-mail: bsd@mail.bogo.co.uk

Airmail Postage Rates: Europe £1.50 Rest of World £7.50
Hardback £1.50 Paperback £1.50 £3.95

Hauled to safety by Frank Trask, a local expedition guide and entrepreneur, Byrne – a doctor by profession, a botanist by avocation, a glaciologist by aspiration – lives out a frugal life in the Canadian frontier tourist town of Jasper as the medical officer of Trask's company, which is pushing a railway through the Rockies.

He is waiting for the natural, inevitable melting process of the Arctic glacier to throw up and reveal the reality of what he saw, or what perhaps was merely "a hitherto unknown periscope property of glacial ice." What surfaces, what survives, is miraculous enough.

Icefields wears its inspiration on its sleeve: its epigraph is a quotation from Michael Ondatje's *Coming Through Slaughter*: "As if everything in the world is the history of ice." There are references, too, in the historicity of characters and place to remind the reader initially of Ondatje's *The English Patient*; but Wharton is liberated rather than frozen

into style and attitude by his apparent mentor. The glacier itself is the principal image and metaphor: just as it slowly melts and recedes through the years, revealing its history and secrets, so do the characters of the novel evolve in their environment and make their impact upon it. It is a novel of progress – from exploration to exploitation by Trask who opens up the wilderness to tourism: from madness to maturity by Byrne whose quarter-century vigil on the glacier, waiting for a miracle, is redeemed by an emblem of tenacity life after the horrors of the first world war.

Wharton layers his novel like the strata of the glacier: voices, modern and mythical, oral and written, real

and dream, ring true and clear. The clean, concise purity of the prose brilliantly refracts the complex multi-faceted style of the narrative. *Icefields* was awarded the Grand Prize at the Banff Mountain Book Festival in Canada, and the Commonwealth Writers Prize for Best First Book for the Canada and Caribbean Region in 1996.

Icfields wears its inspiration on its sleeve: its epigraph is a quotation from Michael Ondatje's *Coming Through Slaughter*: "As if everything in the world is the history of ice." There are references, too, in the historicity of characters and place to remind the reader initially of Ondatje's *The English Patient*; but Wharton is liberated rather than frozen

writer whose style is as plain and sparkling as granite on a clear winter's day, but whose subject-matter is as violent, passionate and physical as the Scots themselves. Her great strength is to identify and write about the dysfunctional point between wicked energy and virtuous impotence.

Original Bliss is a collection of ten short stories and a novella – pit-stops in the vacuum of modern life, the void of love and the gravity-free zone of sex (literally in *Made Over, Made Out*, set in the airlock of a spacecraft.) This is serious writing, resonant and resourceful, satirical and sympathetic, wry and witty, physical and – occasionally – perverse.

Alison Kennedy grounds herself in the physicality of

the body and delivers it to the none-too-tender fantasies of the mind: the resulting antisyyzygy, at that point "whaur extremes meet", is sexual and psychic dysfunction struggling with romance, religion and reality. The rough beast of sex in her stories exists symbiot-

ically with little parasites that feed on their host – the notions and ideas we all have, but which we are scarcely aware of when obsessed by the larger concept of love: are here picked off and identified, with an exquisite attention to the smallest detail.



Alison Kennedy: pit-stops in the vacuum of modern life



ART GALLERIES

NATIONAL

EXHIBITIONS

ARTS

A successful marriage of drama and painting

William Packer admires the Garrick's collection, now on show at Dulwich

A fair number of London's gentlemen's clubs have good pictures on their walls. Brooks's, for example, boosted by the Dulcett Society, has probably the most distinguished. The Arts Club is strong on Modern British. Even the Chelsea Arts Club which, contrary to popular myth, has had over the years some respectable artists among its members, displays good things. But it is the Garrick which has, if not quite the most, most certainly the most, and the most particular at that.

Not that you – particularly if you are a woman and therefore barred from membership – can ever see them properly, hung as they are all over the place. But then, for member and guest alike, that is hardly the point in a good club. The company and the conversation are what matter, or so those men behind those lurid ties will tell you. However, we too may now enjoy their riches, and without the necessity of a Garrick lunch. Desmond Shawe-Taylor, an outsider like the rest of us, has been allowed to take his pick and carry it off to the Dulwich Picture Gallery, of which he is director.

The strength of the Garrick collection is quite specific. As its very name declares, the club has always leaned heavily towards the theatre in the sympathies of its members, with the law and letters as fellow-travellers. And it is for its paintings upon theatrical subjects and personalities, almost 1,000 of them, that its collection is famous, indeed unrivalled.

The concentration goes even further, for though the theme has been continued down the years, at its heart lie the 235 paintings collected by the actor Charles Mathews, in late Georgian and Regency times. The works he acquired amount now to one of the major reference sources in the study of the English theatre in that period of remarkable transition. It is from within this Mathews period that Shawe-Taylor has made his own necessarily narrow but clearly-focused choice.

Here, then, is his actor of the old school, David Ross playing Hamlet in the manner of a gentlemanly person. Here is Garrick, by contrast, as the cheerful old rogue, Lord Chalkstone, refusing Aesop's offer of the waters of Lethe as he passes over into Hades, since there is nothing he wishes to forget. Better still is the larger double portrait of Sophia and Robert Baddeley together in *The Clandestine Marriage*, best of all the exquisitely graceful full-length of Thomas King as Touchstone, in his *commedia dell'arte* motley of red, yellow, white and blue.

But if Zoffany is rightly pre-eminent, others approach him, and are the more interesting in the company for being so surprising and so good. Samuel de Wilde in particular clearly does not deserve the obscurity in which he rests beyond the Garrick's walls, for all that he was the most prolific of all painters of the theatre. Here he matches Zoffany in exactness of observation and clarity of definition, and yet

exceeds him in mischief and gentle satire, catching exactly the spirit of the comedy. His *Henry Angelo* as Mrs Cole, the pious procress whose eyes "roll up to heaven", as Shawe-Taylor puts it, "in an expression of gin-soaked beatitude", is the very model of all pantomime dames.

The story ends with a group of

larger paintings by George Clint, again undeservedly obscure, which bring us somewhat forward, beyond the Regency into early Victorian times. Old Brummagem the skinflint is hoodwinked by his young ward's lover – all good clean fun. It is a show that, beside the obvious treats of Zoffany and other more familiar names, such as Law-

rence and de Loutherbourg, leaves us wishing to know much more of such delicious obscurities brought to light. We can only hope there will be more to come.

Dramatic Art – Theatrical Paintings from the Garrick Club: Dulwich Picture Gallery, College Road SE21, until March 16.

Opera/David Murray

Strauss in the slow lane

20th century, when *ancien régime* Vienna was really on its uppers. Thus the Marschallin's palatial bedroom in Act I becomes a demured mausoleum, and Faninal's *Stadtpalais* a grand interior with nothing in it but a newly unpacked painting and two frail little chairs. These trappings make no difference to the action, which is practically invasion-proof: the story is pure theatre, indifferent to the décor.

Much more severe, as I think, are the encroachments of operatic-musical fashion. David Atherton conducts a shapely, even sensitive account of the score (I expected less, and am suitably abashed). By the late

There is general agreement that *Der Rosenkavalier* – planned as a two-and-a-half-hour *Komödie für Musik*, but uncontrollably expanded to three-and-a-quarter hours plus intervals – goes on too long, though we are ready to forgive that. At ENO, it takes four-and-a-quarter, all told.

The excess is owed to heedlessly protracted senti-ments at the ends of the first and third acts. We are not expected to discern the tears behind the ironical perpe-

ties of the comedy, oh no: they have to be spelled out for us, at *molto adagio tempo* that tax the singers to the limit (singers love those). The Marschallin's weary, touching epilogue to Act I goes on and on, exquisitely of course, and the final sentimental sort-out takes forever. Has nobody considered the just proportions of the comedy? The intimate moments of *Der Rosenkavalier* are not the Four Last Songs, nor really anything like them.

The new Marschallin is Yvonne Kenny, who sang Sophie at the ENO 20 years ago – a natural progression, which soon begins to look thin and silly. Tomlinson's preening, ebullient Ochs re-s

cues it by sheer verve, though the old Kalisch translation gives him no chance to reveal his courtified credentials as a backwoods aristocrat. He talks proper throughout (in the English, not in the original German), and we miss the force of "Mariandel's" appeal for him, which is that "she", alone in Vienna, strikes him as another country-person with whom he can at last be

The new Marschallin is Yvonne Kenny, who sang Sophie at the ENO 20 years ago – a natural progression, which soon begins to look thin and silly. Tomlinson's preening, ebullient Ochs re-

plies, scarcely connected to her affair with 17-year-old Octavian. "He", and "Mariandel" too, is tall Susan Parry, who looks perfect when still but gives the game away whenever she moves, unmistakably a woman acting a teenage boy in the erotic play of Act I, less like fetching 17 than fretful 15. In uniform for the later acts she cuts a likelier figure.

Among the smaller roles,

the intrigues Valtzacci and

Annina are nicely impersonated by John Graham-Hall and Elizabeth Vaughan, and Sophie's anxious duenna by Anne Heath-Watch, and Bonaventura Botone is an upstanding Italian Tenor.

But Peter Sidhom's Faninal,

daddy of Sophie, is a perfect

model: loud, brash, funny,

nervously obsequious and

finally stricken. If he will

learn the rule in German as

well, his Faninal should be

in demand everywhere.

As the snow continues to fall, Bulgaria is in the grip of the fiercest winter since 1991. A struggling economy, disastrous harvest and fuel shortages means that the Bulgarian people face a crisis of huge proportions.

No one will feel the terrible effects more

than Bulgaria's abandoned

and orphaned children.

Already malnourished and

inadequately cared for, this

winter will exact a terrible toll.

Opera in Italy/William Weaver

A brave stab at rare Verdi

Although Sergio Escobar, the newly-inducted general manager of the Rome Opera, was not responsible for the choice of Verdi's *Les Vêpres siciliennes* for the inauguration of the 1997 season, he can take some credit for the largely successful revival of this rare, demanding work, absent from the Rome stage for over three decades.

Her Henri was David Kuebler, the only member of the cast whose French came naturally; the tenor displayed a nice ring in moments of tension, but lacked warmth and nuance. On opening night, the role of Montfort was sung by Paolo Coni despite influenza; as the third performance, he had bowed out and Gianluca Chingari generously stepped in. He had audible difficulty, but he made a brave stab and gave a fine one of Verdi's complex, touching fathers. The smaller roles were well taken, and Iorio Zemari deserves special praise for his well-sung and soberly acted Daniell. The sometimes erratic chorus came to life at the crucial moments.

Few producers in recent decades have tried to set the action in 13th-century Sicily, preferring as background the Risorgimento (when Verdi composed the piece) or a vague period and place. Federico Tiezi created, with designers Carlo Diapi and Paquale Grossi (costumes), an occupied country, where a destroyed church and piles of rubble suggested the misery of the populace.

Even the sumptuous hall was given in a rococo salon of shattered mirrors and peeling walls, while the French governor brought his trunk and camp bed into a ruined salon.

So, in the end, what impression did this welcome *Vêpres* make? A flawed, but nevertheless stunning presentation of a fascinating near-masterpiece. It was, above all, a treat to hear it in French; even if the accents were mostly Italianate, the audience could listen to the notes Verdi wrote, without the others added to accommodate the translation, where bisyllables like "patrie" and "Henri" become clumsy trisyllables, "patria" and "Arrigo". In Verdi's performance history in Italy, this was a milestone.



Exquisite: Thomas King as Touchstone, by Zoffany

At the English National Opera, Jonathan Miller's 1994 production of *Der Rosenkavalier* – in English, much of it intelligible – is having its first revival, directed this time by David Ritch. Of Miller's original principals, only two returned for the re-opening night.

John Tomlinson re-created his elegantly lusty Baron Ochs, and by accident Rose Joshua found herself repeating her lovely, thoughtful Sophie (if slightly too sophisticated: the girl has after all just emerged from a convent-school) when the intended new sweetheart, Donna Brown, was suddenly indisposed. (Brown is expected to take up the role from tonight.)

Miller's gimmick for this production was to move Strauss's setting forward, from the hush days of Maria Theresa's reign to the early

20th century, when *ancien régime* Vienna was really on its uppers. Thus the Marschallin's palatial bedroom in Act I becomes a demured mausoleum, and Faninal's *Stadtpalais* a grand interior with nothing in it but a newly unpacked painting and two frail little chairs. These trappings make no difference to the action, which is practically invasion-proof: the story is pure theatre, indifferent to the décor.

Much more severe, as I think, are the encroachments of operatic-musical fashion. David Atherton conducts a shapely, even sensitive account of the score (I expected less, and am suitably abashed). By the late

they have to be spelled out for us, at *molto adagio tempo* that tax the singers to the limit (singers love those). The Marschallin's weary, touching epilogue to Act I goes on and on, exquisitely of course, and the final sentimental sort-out takes forever. Has nobody considered the just proportions of the comedy? The intimate moments of *Der Rosenkavalier* are not the Four Last Songs, nor really anything like them.

The new Marschallin is Yvonne Kenny, who sang Sophie at the ENO 20 years ago – a natural progression, which soon begins to look thin and silly. Tomlinson's preening, ebullient Ochs re-

uses it by sheer verve, though the old Kalisch translation gives him no chance to reveal his courtified credentials as a backwoods aristocrat. He talks proper throughout (in the English, not in the original German), and we miss the force of "Mariandel's" appeal for him, which is that "she", alone in Vienna, strikes him as another country-person with whom he can at last be

The new Marschallin is Yvonne Kenny, who sang Sophie at the ENO 20 years ago – a natural progression, which soon begins to look thin and silly. Tomlinson's preening, ebullient Ochs re-

plies, scarcely connected to her affair with 17-year-old Octavian. "He", and "Mariandel" too, is tall Susan Parry, who looks perfect when still but gives the game away whenever she moves, unmistakably a woman acting a teenage boy in the erotic play of Act I, less like fetching 17 than fretful 15. In uniform for the later acts she cuts a likelier figure.

Among the smaller roles, the intrigues Valtzacci and Annina are nicely impersonated by John Graham-Hall and Elizabeth Vaughan, and Sophie's anxious duenna by Anne Heath-Watch, and Bonaventura Botone is an upstanding Italian Tenor.

But Peter Sidhom's Faninal,

daddy of Sophie, is a perfect

model: loud, brash, funny,

nervously obsequious and

finally stricken. If he will

learn the rule in German as

well, his Faninal should be

in demand everywhere.

Radio/Martin Hoyle

Out of the dark ages

All-Dyke is upon us. Not another sapphic outrage from the nation's "pornographer" on Channel 4 (we shall miss him) but the nickname given to the most depressing month of the year. For radio listeners, this February dawns under the shadow of the powers that be promising a hard look at every programme on Radio 4 and the declaration, at which we have learnt to groan, that it must not become "a

museum". Before the cliché trips so glibly off the tongue of mediocrities wielding their disportionately lethal hatchets, it is as well to define a museum – in the modern, not the 19th-century sense.

I suspect that the arid mentality that regurgitates the word "museum" as shorthand for the old-fashioned and the redundant is more merrily passé than anything it seeks to condemn. I urge the controller of Radio 4 to set foot in a museum for possibly the first time in his life. Yes, yes, we know what you mean; but the inability to express yourself except in knee-jerk jargon is scarcely an encouraging sign in those

who administrate the medium of the spoken word; especially those entrusted with Radio 4, one of the last asylums of adult values in the corporation. And please let's hear no more equally knee-jerk jeers at "Middle England", as evinced by the smugly drowning John Peel (for instance) in Radio Times. After all, every politically correct minority is apparently sacrosanct, and cherished in artificially sheltered conditions that remind one of – ah yes, a museum.

government interference and such campaigns merely attracted unwelcome government attention.

This was puzzling since most outsiders thought that it was government attitudes trickling down from above and interpreted by the BBC that had triggered the alarm bells in the first place. His rage against the World Service supporters reminded me of the ageing and destitute Mrs Patrick Campbell insulting well-wishers, memorably described as a sinking ship firing on the boats hastening to her rescue.

But what of the show, Mrs Lincoln? Those who know about such things welcome Mark Radcliffe's replacement of Chris Evans, minimally mourned though acknowledged to have widened the boundaries of Radio 1's breakfast slot. Radio 3 tempted providence with its Sunday Feature, *The Art of Boredom*, but came up with an intriguing look at bore-

dom as a concept, being a relatively recent phenomenon, the product of leisure, education and self-consciousness on the one hand; and the expectation that others should amuse us on the other. No wonder it thrives in an age of mass media.

This was puzzling since

BULGARIA EMERGENCY APPEAL

This winter Bulgaria faces its worst crisis in decades...

As the snow continues to fall, Bulgaria is in the grip of the fiercest winter since 1991. A struggling economy, disastrous harvest and fuel shortages means that the Bulgarian people face a crisis of huge proportions. No one will feel the terrible effects more than Bulgaria's abandoned and orphaned children. Already malnourished and inadequately cared for, this winter will exact a terrible toll.

...and 30,000 children face starvation and death

If these children do not receive immediate help, many will face the fear of slowly freezing or starving to death. There's only one way they can receive the help they so desperately need - if as many people as possible support this vital appeal.

Christian Children's Fund is working to fund emergency assistance to protect these children through the ravages of the Bulgarian winter.

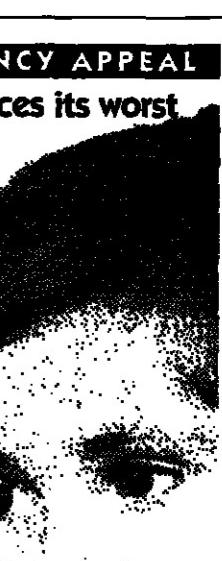
You can help these desperately needy children this winter. Complete the coupon or call our Emergency Appeal telephone number:

0800 41 39 30

Yes I want to help the abandoned children of Bulgaria

Name _____
Address _____
Postcode _____
Telephone _____
Fax _____
Email _____
Mobile _____
Signature _____
Date _____

Send this coupon to: Bulgaria Emergency Appeal, CCF, FREEPOST W1000, LONDON E10 5RN



CCF
Christian Children's Fund
FREEPOST W1000
London E10 5RN

ARTS

Evocative tales of two cities

Andrew Jack admires the photography of Frank Horvat

Fires in Channel tunnels aside, the centres of Paris and London may now be just three hours apart by rail, but an exhibition spanning the two cities demonstrates in many ways just how far apart they can seem.

The black-and-white images of *Paris-Londres, London-Paris* 1952-1962 contain a notable selection from an innovator who attempted to combine photojournalism and fashion photography, and comes more equipped than most to attempt the perilous path of cultural comparisons.

Born in a part of Italy which is now Croatia, Frank Horvat was of Jewish descent, with a Hungarian father and an Austrian mother. He was a refugee in Switzerland during the second world war, trained in Milan, travelled for two years in India, and then worked in London before settling in Paris in 1936.

As he explains in his introductory essay in the exhibition catalogue - his father, a doctor, spoke to him in German, his grandparents in Hungarian, patients in French or English, the servants in Serbo-Croat, and the carabinieri in Italian. Yet with all the richness of his background, and his experience on assignments in different parts of the world, the one place where his adaptability fell flat was in England.

He always felt as though he had "one foot on the doorstep", partly because he had no set of dreams or references of the country, in sharp contrast to Paris. Yet the unifying reason he was subsequently forced to relocate across the Channel was that the authorities would not grant a visa to his Italian fiancée who

had come to live with him in London.

Not that the experience apparently left Horvat bitter towards Britain or its people, whom he describes as containing "a precarious equilibrium between convention and eccentricity", and who were usually well disposed to his attempts to capture them on film.

He relates how his fashion photographs for British magazines were frowned upon in France, but those taken in Paris were always accepted in London, "from which one can infer either the superiority of French taste or the greater receptiveness of English minds."

Although Horvat had greater cultural affinities with Paris, he is far from sentimental about the city, which he argues was nothing like his adolescent imaginings, and did not inspire passion in him, but rather was a place in which sensitivity mixed with ambition and interest, as well as "a dash of resentment and a definite dose of lust".

It also had the advantage, through a photographer's vantage-point, of "multiple facets": in any direction, from any street corner, "details pile up in the frame and are repeated as if in mirrors, disparate but always harmonious."

There is little doubt that the density, variety and beauty of Paris is well captured in these photos, with the additional contemporary pleasure of the lure of the exotic and the nostalgia of a past era. Almost without fail, the images are evocative and alluring, a chaotic Place de la Concorde filled with old cabs, buses and wrought-iron street-lamps; a calmer Champs-Elysées

with pedestrians weaving between cars unguided by road markings; an aged metro crossing the Pont de Bir-Hakeim with the Eiffel tower as a backdrop; or a cafe in Pigalle, with pastis and beer in equal measure on the tables.

To this British eye, the photos of London are a little less evocative, perhaps because the images are more familiar. But in part, this probably also reflects Horvat's different experiences in the two capitals, with Paris becoming his "home" while London remained more alien, and because his photo assignments in each city had different objectives.

Some of the shots seem a little more clichéd, albeit too tempting for a foreign observer to resist: the policeman in his conical hat directing traffic; the cigar-chomping clients of the Cafe Royal in their dinner jackets; and the wizened faces in a series of East End market scenes.

His photos in Paris seem to reveal a deeper knowledge of the city, capturing less usual vantage points, or snapping such personalities as Charles Aznavour, Edith Piaf, Coco Chanel and Francoise Sagan in unusual

In the UK, the subjects are generally anonymous and the material more predictable. Even so, he manages to subvert the inevitable shot in the City of London of a man in bowler hat with brolly, capturing him cigarette in mouth, attempting to retain a certain dignity as he runs along the road, trousers flaring in the breeze. In another example, he accentuates the impossibly rigid postures of stiff upper-lipped Englishmen at Windsor Castle by capturing a group of three, one of whose formality is accentuated



One of Horvat's post-war pioneering fashion shots, showing the reaction of the butchers of the Halles to a beautiful model in their midst.

by the fact that he is wearing a neck brace.

He captures the concentration of a boy in a street boxing contest in Lambeth pulling back his head to avoid a blow even as he shoots out with his fist; two other mischievous boys ogling "What the butler saw" in Brighton, while the adjacent pub machine offers "Parisian can-can"; and two women on a beach contorting themselves to change while concealing all.

Perhaps the defining characteristic of Horvat's work is its humour, while his most notable contribution to post-war photography was in the field of fashion, where he used visual jokes in his crusade to break with the norms of the time, by taking models out of studios, and photographing them without wigs, make-up and fake smiles.

Unlike the French photographer Robert Doisneau, there is no controversy about whether some of Horvat's images were posed or not. His pioneering skill was to engineer situations in which

fashion models were placed in ordinary surroundings, and then wait for the spontaneous reactions of passers-by.

Judging by some of the models' expressions, they were not always so happy with the approach. There is also an initial shock for the viewer at the artificial nature of these "directed" fashion shots juxtaposed with

more classic "passive" images - a tension, incidentally, which led Horvat to be criticised and alienated from many of his photojournalist colleagues, including Henri Cartier-Bresson.

Yet these surreal photos are nothing if not entertaining: a model on the rear of open-backed bus surrounded by stony-faced commuters; or another, glass of wine in hand, in the old Halles meat market, with burly butchers around her in a mixture of surprise, lust and amusement.

What does not always work so well in the exhibition is the attempt to link the images of London and Paris together. Occasionally, it offers unexpected insights, such as the intertwined

couples in St James' Park proving they are no more repressed than the Parisian lovers embracing on the banks of the Seine.

But then as Horvat himself

points out, his photographs were taken at a time when magazine editors believed pictures needed to be read in a sequence to tell a story, before people had the habit of "skimming". He says he would have found it curious in the 1950s to arrange them together as the current exhibition does. The photos themselves are none the poorer for that.

Frank Horvat: *Paris-Londres, London-Paris*, 1952-1962. Musée Carnavalet, Paris. Until February 23.

The novels of Joseph Conrad have a reputation for being unfilmable. Will the BBC's 'Nostromo' prove an exception to the rule?

As well plundered as possible

For more than two decades the FT television column has defended television's right to adapt - plunder, if you like - material from literature, stage drama, or any other source, and then to be judged not on whether the original medium has been faithfully served, but on the quality of the television created. Joseph Conrad was a great story teller and *Nostromo* is one of his longest, most complicated, and, some would say, best books. At 9.30 this evening BBC2 begins a filmed adaptation, shown in four weekly parts, each of 75 minutes. If you stick with it through Episodes 1 and 2 you have a treat in store with Episodes 3 and 4, but some may not last the distance.

All the elements of good television are here. The cast includes big names: Charles Gould, the four-square English imperialist who takes his bride back to the little South American country where his father died, to re-open the family silver mine, is played by Colin Firth. Albert Finney plays a quondam Doc Holliday figure, a self-disgusted alcoholic with something to prove. Brian Dennehy, one of America's best character actors, is money-man Holroyd; and in the title role is Italian film star Claudio Amendola. Shooting was in Colombia and the locations are beautiful, sometimes breathtaking. There was enough money to employ real crowds for the crowd scenes, and when the plot calls for a paddle steamer or a Victorian steam train you get the real McCoy, or something so like it as to be indistinguishable. It is good to look at.

The international nature of the cast might be seen as



Under-horsed: Claudio Amendola as Nostromo

the inevitable corollary to co-production money, this being an Italian/British/Spanish/American effort, but for once the flags-of-all-nations element feels quite unexceptional since the story involves Britons, Italians, Spaniards and so on.

There are minor embarrassments, but not stemming from co-production. Early on Finney sometimes seems to be awfully busy Acting. Serena Scott Thomas, as the young Mrs Gould, is strikingly beautiful, but her speech, stride, and entire attitude mark her out as a product of the late-20th century. There are occasional lapses in the script as when Giorgio says "Ah, you are looking at Garibaldi, the Italian hero" presumably to

ensure that we do not think it is Garibaldi the famous biscuit manufacturer.

The big difficulty, however, is that such a large number of factors have to be set up before the plot can make any sense: the political background, including church and government, the exploitation of people and resources, the complex character of Nostromo, the involved web of relationships between expatriates, and more. This occupies most of the first two episodes, and those watching other than Conrad lovers may find matters somewhat slow, complicated, and even tedious. From Episode 3 they will find all the action they want - galloping bandits, torture, gang theft, revolution, the lot - but how many will persevere that long?

Christopher Dunkley

Three films based on works by Joseph Conrad are scheduled for release this year: *The Secret Agent*, *Victory* and *Amy Foster*. Preceding these, television audiences will be treated to the BBC's four-part, six-hour version of *Nostromo*, which begins tonight.

For an author whose works have a reputation for being "unfilmable" Conrad has attracted an enormous amount of cinematic attention. Since the first adaptation, a silent film of *Victory* in 1918, nearly 90 films have been made of Conrad's works worldwide, reflecting both the truly international and his enduring appeal to filmmakers. But, with few exceptions, such as Alfred Hitchcock's *Sabotage* (1936, based on *The Secret Agent*); Carol Reed's *An Outcast of the Islands* (1962) and Francis Ford Coppola's *Apocalypse Now* (1979, based on *Heart of Darkness*), adaptations have generally proved unsuccessful in their attempts to convey the complexity and the richness of the Conradian narrative.

The appeal of Conrad's fiction to the film-makers lies both in the intensity with which its scenes and characters are realised on the page, and in Conrad's use of narrative techniques which, for all their literary sophistication, are remarkably akin to those of photography. The attention to visual detail in the Conradian novel is apparent from the outset. For instance, in his very first novel, *Aymar's Folly* (1885), the eponymous dreamer's attempts to obliterate the memory of his departing daughter include erasing her footprints on the beach. So, crawling along on hands and knees, Aymar fills in

Tales that are all in the telling

moments and events. John Hale's screenplay eschews these chronological disruptions in favour of a linear narrative whose plot gains in clarity what it loses in historical depth. But depth there is, for Reid has mastered the art of compressing a range of complex themes into a single scene.

For instance, when the Goulds make love in the disused silver mine, not only does the moment symbolically precede the reopening of the mine, whose wealth will ultimately come to decide the fate of the province, but it also admirably the transfer of Charles Gould's devotion from his wife Emily to the mine, as he, like so many of the characters in the tale, becomes increasingly obsessed with material interests.

A successful adaptation of Conrad must capture the ironic tone of the fiction - and Reid's *Nostromo* does. His various strategies for conveying Conrad's irony extend from simple juxtaposition - during the inauguration of the mine, the image of a silver crucifix is immediately followed by a silver pistol - to a keen awareness of the viewer's presence - as when the snake that initially seems threatening to Mrs Gould turns out not only to have already been noticed by her but to preoccupy her less than the ants attracted by the food she is serving.

Serendipity, too, plays a part: as the horses in Colombia, where *Nostromo* was filmed, tend to be smaller than average, characters like Hernandez the Bandit, when mounted, tend to appear faintly ridiculous - exactly as Conrad intended them to be.

Allan Simmonds

■ Allan Simmonds is lecturer in English at the University of Surrey and general editor of *The Conradian*.

For the first concert in its Brahms centenary cycle, the London Symphony Orchestra played its trump card. Anne-Sophie Mutter is one of the biggest draws it has at the Barbican and the Brahms Violin Concerto is the work for which she is most renowned.

Going straight in with it as the opening piece of concert number one is a bit like throwing open a hefty novel at mid-point. Where an overture might have introduced the public face of Brahms, and each symphony holds up a distinct persona (Beethoven the obvious influence on the First, Bach for the Fourth), the Violin Concerto simply puts Brahms the man in front of us like an old friend - no formality, no posturing.

Concert/Richard Fairman
Stylish Brahms

For Mutter, it is probably the central work in her repertoire. Being reared in the German tradition, not to mention performing and recording the concerto with Karajan as long ago as 1987, must have instilled the essence of Brahms's spirit very early on. The warm sound she produces, with plenty of body to it, is near ideal: Mutter can make the music sing out with a quite exceptional intensity, but her tone never admits the slightest harshness or strain.

She has played the concerto in London before, but this performance was not a

copy. Mutter is continuing to look for new insights in the music, which means an increasingly ambitious range of expression (from heavily vibrato-laden emotion at one extreme to a withdrawn thread of sound at the other), balanced by some loss of continuity. It was not, in fact, a very spontaneous performance, mainly because Colin Davis makes a solid Brahms conductor. Mutter occasionally nudged him on a bit, but for the most part used the extra time to give herself freedom of movement.

The Third Symphony after

the interval was on similar lines. Davis refused to be hurried or be pressurised into making theatrical gestures, so the undemonstrative opening gave a good sense of what was to come. The mind, a performance clearly relaxed and come as near to a service as a symphony.

The outstanding feature which made it work was the high quality of the London Symphony Orchestra's playing, which had acquired an unforced eloquence and a warm, blend. Ideas for Brahms, that the players never hinted at, disappeared. For them, the Brahms concerto has come into its right time.

Further LSO-concerts in the Brahms series are on February 2, 6, 9, 12 and 15.

8.30pm-10.30pm February 1/2pm
22 February at 3pm

WAGNER
Lohengrin

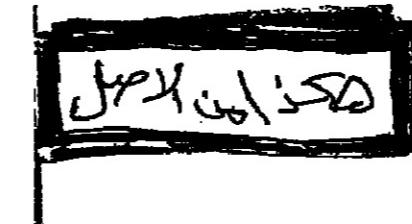
With Karita Mattila, Gwyneth Jones,
Gösta Winbergh, Sergei Leiferkus and
the Royal Opera House Chorus and Orchestra

Conducted by Valery Gergiev

Sponsored by Commercial Union plc

Box Office 0171 580 8200

The ROYAL OPERA



Missing

England need a

SPORT

Sporting Profile

Tiger, Tiger, Tiger – the ferocious talent

The roar of applause for the new phenomenon of the golfing world is deafening and far-reaching, says Derek Lawrenson

It was in April last year that golf writers wondered whether Jack Nicklaus had lost his grip on reality. Nicklaus was giving his annual spring address at the Masters when someone asked him about Tiger Woods, his practice about Tiger Woods, his practice

Nicklaus's face broke into a patriarchal smile. He said that Tiger Woods had fundamentally the soundest swing of any player that he had ever seen. Furthermore, there was his temperament and mental aptitude, Woods would win more Masters titles (10) than he and Arnold Palmer combined.

It seemed such a preposterous proclamation as to be worthy of mockery: why stop at 10, Jack? Why not make it 20? Naturally, when Woods went on to miss the 36 hole cut there was more ridicule at Nicklaus's expense.

There is none now, of course. Now the tenor of the remark appears prescient, on a par indeed with the comment of Bobby Jones a couple of generations ago when witnessing a young Nicklaus: "He plays a game with which I am not familiar."

It is no exaggeration to say that in six months as a professional Woods has transformed his sport. As Sports Illustrated put it: "We're no longer talking about a golfer, we're talking about an era."

How does one explain the Woods phenomenon? After all, the game has seen precocious talents before, like Severiano Ballesteros, and there will never be another to compare with Nicklaus. But no one, not these two or Palmer or Hogan or any of the other great names in the sport's history, had quite the impact of Woods.

Why? Because everything that golf lacked has been granted to this fresh-complexioned youth with a smile that could light up a coalmine. In a game where the winners are usually in their mid-30s, he is 21; in a sport where every winner of every major championship has been white, he is black; in a game where the accepted wisdom is that one or two victories a season constitutes a successful year he has won three times in 10 US tour events.

The effect has been to broaden the game's appeal far beyond its traditional boundaries. At the Mercedes Championship in San Diego last month, the cars stalled back for 15 miles to watch Woods play. The fact that the rain was coming down in biblical proportions and there was little chance of golf did not seem to deter anyone. Eventually play was abandoned for the day. Woods played one hole, a sudden death play-off for the title against his co-thirteenth round leader Tom Lehman.

In 14 years' reporting on golf I have never seen anything like it. I stood on the tee and scanned the faces that lined the short 7th in numbers that would have graced a Ryder Cup: the young and the old, people who have been watching golf for far longer than I, mixing with teenagers who three months ago thought it was a silly sport their fathers played. In every conversation, one word recurred, like a religious mantra: Tiger, Tiger, Tiger.

Now I am writing this piece in Australia, where the European Tour has just begun. Woods is 10,000 miles away in Phoenix, Arizona. Yet his picture adorns the front cover of The Australian newspaper, his name is on the lips of every player. News filters through that the showman has had a

hole-in-one, his second in four months as a pro. One hundred thousand people turned up to witness it.

How does a young man cope with such equanimity the messianic fervour his gifts have brought? Because his whole life was preparation for it. His father Earl, a Green Beret in Vietnam, spent 21 years instilling into his son a self-belief so complete it must be terrifying to stand opposite him in competition.

It is quite a story: of how Earl Woods watched his best friend, nicknamed "Tiger" on account of his fighting skills, succumb to a sniper's bullet in Vietnam; how when he returned to the US with his Thai bride, Kultida, he gave his new-born son his friend's nickname, and then set about ensuring that he lived up to it.

No two parents could be more suited to producing a prodigal. Earl taught his son the things that steal a man's heart when he spends three years in the jungle; Kultida passed on the serene wisdom of the Buddhist religion.

There is a wonderful story of Earl

I believe that
Tiger will do
more than
any man in
history to
change the
course of
humanity'

strapping his son into a highchair at six months old while he hits golf balls; there is a photograph of Woods, aged five, already armed with a complete golf swing. Earl Woods told Sports Illustrated recently: "I believe that Tiger will do more than any man in history to change the course of humanity." You could say he has high hopes for his son.

Woods may certainly do more than any man to change the course of golfing history. Already he has rewritten amateur lore. He was barely into his teenage years when he started winning national titles. At 20 he became the first golfer to win the US amateur title three years in a row.

When he turned pro last August, the possibilities were clearly immense. There was not an equipment manufacturer nor clothing conglomerate which did not join the queue to sign him. In the end, he signed for Titleist and Nike, respectively. The combined bill for these two companies before Woods had hit a shot was \$60m.

To put into perspective the \$40m over five years in basic salary that Nike paid, the biggest contract any golfer had previously earned was that given to Greg Norman by Reebok. That came to \$2.5m a year.

Naturally, there were some who did not share the faith of Nike's chief executive Phil Knight. The company's share price even fell a couple of points amid concern that they had paid over the odds. Knight's response? "Watch this kid go. He is going to do for golf what Michael Jordan did for basketball."

Nike's first Woods advertisement was typically provocative, playing the race card. "There are still some country clubs in America that are not

ready for me, owing to my colour. Are you ready for me?" A conservative game threw up its arms in horror, probably because the spirit of the remark was true.

Just as the maelstrom of criticism reached its apex, Woods, in only his fourth start, won his first pro tournament. A fortnight later he won again, the Disney Classic, an opposite title for this fantastical journey. All criticism was buried, all scepticism at the hype shelved in the US, being a winner overrides anything. Even the country club set were besotted.

Two days short of his 21st birthday, on December 28, Sports Illustrated named Woods their Sportsman of the Year. Now it was the turn of supporters of the athlete Michael Johnson, the boxer Evander Holyfield, and the basketball player Michael Jordan to be outraged. Surely 1996 was their man's year? Possibly it was Jordan himself who assuaged them. He was asked whether he had any heroes. "Only one," he said. "Tiger Woods."

The Woods/Nike roadshow travels to Bangkok next week for a tournament that is totally meaningless in golf terms, but because Woods is in attendance has become a big media event. Woods playing golf in his mother's birthplace has already been lined up for a cover story in Sports Illustrated.

In time the Woods era may well be remembered for introducing the game to the computer generation; to inner-city blacks who hitherto rarely looked beyond a basketball court; for rewriting the record books; heck, who knows, perhaps changing humanity.

But what he has bequeathed the sport in the short term is the thrill of victory. No longer are America's young players satisfied with one win each season. The talented 26-year-old left-hander Phil Mickelson, who won four times last year and \$1.7m, described his season as "good but not special".

Now the big championships beckon, the ultimate test of a golfer's art: such has been Woods' impact it will be something of a surprise if he does not win one this season.

The evidence came on that California day last month, and Woods' one hole play-off against the Open champion, Lehman.

Who would you vouch for? The veteran who had shown his mettle under more nerve-wracking occasions, or the willowy youth who hits the ball 30 yards beyond anyone but whose ability in that department had been neutered on this occasion owing to it being a short hole?

Lehman went first. The Open champion, the US Tour's player of the year in 1995, struck a shot that would have embarrassed a mid-handicapper. It finished in the water that fronted the putting surface.

"All Woods has to do is aim for the middle of the green," said the television commentator Peter Alliss. True enough. But if Woods was the sort of player who aimed for the middle of a green there would not have been countless thousands of people prepared to put up with such wretched conditions.

Woods' six iron arced high into the sky before pitching 2ft to the green. It checked before spinning back to sit from the cup. The rest was tumultuous, a sport embracing a talent that comes along once every lifetime. "I might have been the player of last year," said Lehman. "But Woods is the player of the next two decades."



Rugby

Missing a creator's edge

England need a first-class outside-half like Gregor Townsend, says Huw Richards

There is no more grievous accusation against a proud Celt than that of wanting to be English. It carries implications of social pretension combined with disloyalty to deep roots and allegiances.

Nobody has ever suggested that Gregor Townsend suffers from this affliction. But he could be forgiven if the thought crossed his mind as he languished, wasted, at centre in Scotland's pre-Christmas internationals and their Five Nations opener against Wales.

The Scottish selectors have seen sense and restored him to his best position of outside-half, together with his most effective partner, the vastly underrated Bryan Redpath, for this afternoon's meeting with England at Twickenham. But for as long as the Scots have a highly plausible alternative outside-half in Craig Chalmers, who won his 50th cap against Wales, and a marked shortage of centres, the temptation to exile Townsend to the three-quarters will remain.

It would not happen if he were English. They have five international-quality centres competing for two places – one already committed by the choice of Phil de Giansville as captain. But they are searching desperately for an outside-half.

Will Carling's attempt to switch to the No 10 shirt earlier this season reflected this balance. One element, no doubt, was the desire to try something new and different. But Carling did not get where he is today without a firm grasp of rugby reality. As a centre, he is part of the fiercest selection battle in the England side. As an outside-half he could pursue an obvious vacancy.

It did not quite work out. Carling's appearances for Harlequins showed that, as an outside-half, he is still a terrific centre. No discredit to him – it is asking a bit much of even the most gifted 30-year-old to master from scratch the demands and habits of the most complex position on the field.

Carling is also aware that this is not a new problem. He recently selected his dream England XV, a selec-

tion predictably and justly packed with stalwarts of his own era. But not outside-half. For that position he went back to the Cornishman, Richard Sharp, whose last Five Nations appearance was two years before Carling was born.

It might be argued that

While the Scots command the creative edge they can hope

this displays an unsuspected sense of history – a fair case could be made for selecting Jackie Kyle for a parallel Irish selection or Cliff Morgan for the Welsh without implying that either country has since been devoid of No. 10 talent. Reality, though, is that England's pivots have not been in the class of the Celts.

We should dismiss any notion that Englishmen are by some genetic quirk inca-

pable of playing outside-half, liberating though this would be for selectors who are under pressure to find someone with a little more flair rather than the reliable chap who will kick goals, find touch and keep his forwards happy. Paul Grayson, today's choice following the pre-Christmas traumas of the hapless Mike Catt, fits this mould.

England's forwards have ensured constant success in the Five Nations championship. They have compelled respect from southern hemisphere opposition but, fatally at the highest level, have rarely been able to surprise them. Give them a first-class creator like Townsend – or his Scottish predecessor of a decade back, John Rutherford – and it might have been a different story.

This is not certain. It is the way England play, as much as the limitations of those available, which has made their outside-halves look so ordinary. Their game has been built around copious, but slowly delivered, possession and firm adherence to a plan based

on control rather than individual initiative.

Bob Andrew, repressing more attacking instincts in the way that cricketer John Emburey forewent a more imaginative approach to provide England with a nagging, negative spin bowler who could tie up an end, fitted this game perfectly.

There is a strong element of chicken and egg in all this. England will struggle for a more expansive style until they find a world-class pivot, yet are unlikely to find him until they change style. An uncharacteristically imaginative leap may be required.

In this regard, it is too bad that England have decided not to risk Alex King of Wasps at outside-half today. He is not necessarily the answer but we know that the alternatives tried so far, for all Grayson's cool under pressure, are not.

In the meantime, those who prize the uncertainty of the Five Nations can give thanks for England's half-back uncertainties. Their pack, three-quarters and full-back all appear superior



Carling's choice: Richard Sharp, the Cornishman, is in the former England captain's dream XV

to Scotland. But while the Scots command the edge in creativity and imagination – qualities that keep an opponent guessing and apprehensive – provided by Redpath and Townsend, they can hope.

Even greater hope will be in evidence at Cardiff where Wales, fresh from their best

unpredictable Arwel Thomas at outside-half and a clutch of recalled former rugby league players.

After disposing of a 12-year Murrayfield jinx, they take on their 14-year Irish one at Cardiff. England may be the likeliest champions, but Cardiff is where the entertainment should be.

How to Spend It

Fashion

It is the quirky cardigan for spring

Karen Wheeler says renew the colour palette and go for cropped styles

The cardigan is set to be one of spring's most irresistible fashion buys. But this is not the season to play safe and opt for something classic. The sensible cardigan – in plain beige, black or navy – has been eclipsed by a more striking genre: the quirky cardigan.

Following the success of the twinset last year, the cardigan has become a fashion item in its own right. The latest styles are designed to catch the eye with contrasting fake fur collars, rainbow stripes or vibrant check or Argyle patterns.

Moreover, with a little fine-tuning and a fresh colour palette, by trimming a few inches from the proportions and offering a wonderful array of colours, designers have turned a normally mundane item into something exciting.

At Liberty, Angela Quinrell, the senior fashion buyer, says: "The cardigan is one of the key items for spring. Think of the small, fitted, 1940s shape, which Marion Foale made her own, reinterpreted in beautiful colours – pale green, lilac, lavender blue or rose pink." As she points out, it is the obvious thing to wear with spring's floaty, feminine clothing.

Much of the new life injected into the age-old standby of every matron's wardrobe is due to the Italian designer Anna Molinari. Last season she showed an unlikely mix of cute, cropped styles with fake fur collars worn over fragile, floral print dresses – an eccentric look which has captured the imagination of others.

Clements Ribeiro, meanwhile, has revolutionised the traditional approach to cashmere design with cardigans in modern shapes and clashing bands of colour. Designers had fought shy of doing anything too bold or too fashionable with such an expensive commodity as cashmere but where the British duo have led, many others have followed.

The cardigan is part of the trend for soft, easy dressing. Fluid jerseys and knitted fabrics have been replacing stiff, wool worsteds for some time and the short, neat cardigan worn with a tailored skirt and heels makes a more modern alternative to the suit.

There is another practical reason for the current crop of cardigans – and that is to make this season's sheer and semi-sheer clothing more modest.

The mood was set at the Alberta Ferretti show where short, lacy cardigans in neutral colours were worn over sheer, floaty dresses, while delicate, cobwebby knits were layered over wispy chiffon layers at Dolce & Gabbana.

Even if you have ruled out the possibility of wearing transparent clothing, some kind of cover-up is still essential given the alarming number of camisole tops, slip dresses suspended from shoe string straps and one-shoulder necklines soon to be unveiled for spring.

"Crochet-effect cardigans look lovely with see-through, floral dresses," says designer Edina Ronay, whose delicate hand-knitted cardigans reflect the trend perfectly. "They also slide easily from day into evening – just add a necklace and you are fine for dinner." Moreover, as Ronay points out, hand-knitted cardigans last for years and seldom date, because they do not have lapels or shoulder pads.

Ballet-style wrapover cardigans look good teamed with spring's feminine, empire line dresses, bias-cut skirts and handkerchief hemlines. Skinny rib cardigans are also prevalent. Jig saw has V-neck styles in pretty spring colours while Alberta Ferretti's subtly coloured blush pink or lavender blue ribbed cardigan and sleeveless roll neck in a wool/silk mix is among the most luxurious.

Some versions are so finely knitted that they behave almost like T-shirts and are very alluring. The silky knit cardigans with Spandex (2430) in bright pink or turquoise in Ralph Lauren's cruise collection, for example, are thin enough to be worn on their own instead of a T-shirt – with the right underpinnings.

Watch out, too, for the advent of the cocktail cardigan featuring delicate open-work effects. Styles include a cropped, glittery gold V-neck



Cardi with short sleeves (£205) by Marni from Browns, or Edina Ronay's delicate lacy cropped cardigan in black.

Brown has some of the most irresistible cardigans in pretty colours by Italian label Practico. Neat little cashmere crew necks (£415) in bright cornflower blue or pale pistachio green can either be worn on their own or with matching, cropped V-neck sweaters for an ultra-modern take on the twin-set.

To ensure that the look is really modern, it is important that your outfit makes the right fashion references elsewhere. These include a pair of high-heels – slingbacks or peep-toe shoes with flared heels are ideal since flats will look completely wrong – and perhaps some antique-looking jewellery.

Finally, although multi-coloured diamonds, Argyles and rainbow stripes are all very fashionable, there are exceptions to the rule and anything too fuzzy – or featuring ducks, sheep or other farmyard animals knitted in neat rows – remains the province of the breakfast TV presenter.

(Clockwise from top left)

344 Kings Road, London SW3 (tel: 0171-352 3697). Popular for spring, the wrapover cardigan works well with the season's ultra-feminine, empire-line dress.

□ Striped cashmere cardigan, £212, and tank top, £260, by Clements Ribeiro. Stockists tel: 0171-409 7719. The 'must-have' cardigan of the season for the

fashion pack is Clements Ribeiro's colourful, striped cashmere version.

□ Pale blue Argyle cropped cardigan, £81.75, by John Smedley. Stockists tel: 0171-580 5075; mail order: 01629-534331. Argyle is one of the most popular patterns. Choose a cropped or short sleeved style for a modern look.

□ Lavender ribbed twinset in 80/20 wool/silk, £240, by Alberta Ferretti, from Browns, 23-27 South Molton Street, London W1. (tel: 0171-491 7833).

Delicately coloured twinsets designed to be worn with spring's chiffon skirts but would work equally well with a simple, tailored skirt for the office. Also available in blush pink.

Drawings by David Downton



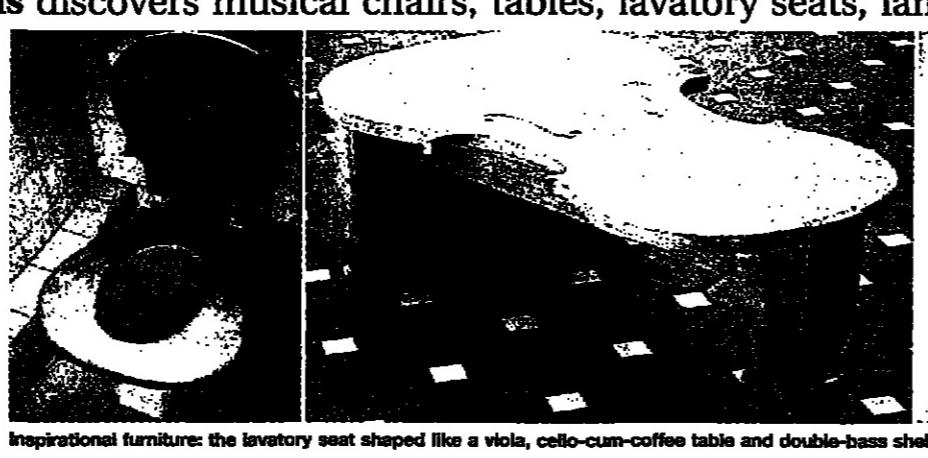
John Hammond's large Edwardian house in north London is littered with assorted items of furniture that look like musical instruments.

There are cello-shaped tables, saxophone-shaped compact disc storage units, bookshelves in the shape of a double bass, and lamp bases and shades enveloped in old sheet music.

Perhaps the most unusual item is a lavatory seat shaped like a viola.

Hammond, a keen amateur pianist and drummer, finds the smallest room in the house a convenient place for composing. What, therefore, could be more sensible than an extra-wide seat shaped like a stringed instrument to aid the creative process?

"Some people think composing on the loo is beneath them," he says. "My view was that nobody had changed the shape of the lavatory seat for many years and here was a design that would be comfortable."



Inspirational furniture: the lavatory seat shaped like a viola, cello-cum-coffee table and double-bass shelving

In tune with house furniture

Clive Fewins discovers musical chairs, tables, lavatory seats, lamp bases... with a difference

The lavatory seat – it is made of cherry wood with string detailing on the lid – is priced at £155 and is one of the best-selling lines of Hammond's London-based company, Instrumental Furniture.

Canadian-born Hammond, 41, who worked as an advertising executive before coming to this country, hit on the idea for the business when working for a relative of his wife who makes stringed instruments.

"My wife Rebecca is a professional cellist so we are both into music," he says.

"When our children were very small we realised that for safety reasons we would have to stop using the big mirror mounted on short legs that had been our coffee table. One day in the work-

shop I thought of the idea of a cello-shaped coffee table. The other designs – they are nearly all by Rebecca or myself – followed quite naturally."

There are now 35 lines in the Instrumental Furniture collection. After four years they are beginning to sell where a larger version of the double bass shelving is used as a display unit in a chain of Tokyo-based music shops.

In this country, Hammond's products are found mainly in music shops, though he is seeking other high street outlets. Most sales are from his home in Queen's Park. The most expensive item in the range is a storage unit

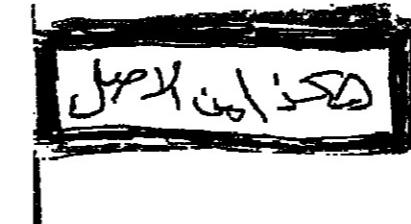
man. He does the musical note coat-hangers, and light pulls, treble and base clef flower pot holders, base clef candle holders, three note hanging baskets and French horn flower pot holders all on his own," Hammond says.

The most popular items are the coat-hangers. The plastic versions come in boxed sets of four different designs comprising 10 hooks and sell at £14.95. The metal versions cost £28.50. The violin and guitar-shaped chopping boards, priced £26 and £34 respectively, are also good sellers.

Apart from the loo seats, the most popular of the more expensive items are the cello tables. In ash, mahogany or walnut they cost from £260 to £290, but Hammond has just introduced a veneered version in medium density fibreboard at £295.

Instrumental Furniture, 128 Brondesbury Villas, London NW6 6AE, tel: 0171-322 0053.

"He is the most amazing



Joie
in a C
tea

Brocan

HOW TO SPEND IT

Joie de vivre in a designer tea cup

There is nothing neutral about Christian Lacroix's latest range, says Lucia van der Post

Followers of Christian Lacroix know that where other designers go in for refined good taste, for understatement, for neutral palettes and streamlined shapes, that is not his way. He is the man for theatre, for rich historical allusion, for costume and for colour.

He inhabits a uniquely imaginative world which fashion commentators ascribe to his upbringing in Arles in southern France – an area with a strong and rich history of its own, filled with gypsy influences, with dark tales of religious dissension and gallantry, with bull-fighting, traditional dancing, Gallo-Roman ruins and relics.

Certainly, he ascribes his interest in his latest project – a range of tableware including china, serving pieces, linen and glasses – to his Mediterranean roots. "For the Mediterranean man that I am," he writes, "the

table, the tradition of sharing a meal and the care in preparing it are rites that to this day have a deep meaning. I like the strangest table settings, even mix-matched sets."

Lacoste, the distinguished French company which describes itself as being involved in "tous les arts de la table que les arts de la table" (loosely translated as "all the arts of the table and nothing but the arts of the table"), is to be congratulated for giving him the free rein which Lacroix has so obviously enjoyed.

Here is clearly quintessential Lacroix, unimpeded by the fashionable dictats that grand brand names are prone to impose upon their designers – "re-interpreting archive designs, designing within the spirit of the house", et al.

What comes out above all from this new collection is a sense of sheer *joie de vivre* – anybody who could produce

such a rich, colourful and joyful collection has to be somebody at whose table you would love to eat, to gossip, to laugh.

Lacoste does not go in for the exquisite sophistication of neutrals and subtle shades of white and cream – here there are bursts of colour ranging from deep crushed raspberry pink for some of the tablecloths to a table set with a whole range of sugar-almond colours (pale green, pastel blue, lemon yellow, lipstick pink). There are tea glasses in grass green, sky blue, raspberry pink and egg-yolk yellow.

There are rich damask cloths in the same sugar-almond colours of blue, lettuce green, pink and white (for the classicists). There is an old-fashioned porcelain tea-set (*Follement*), sporting that pink for which Limoges is famous, as well as some whacky pieces of silverware with handles sculpted like *passementerie*.

Lacoste has never minded acknowledging his debt to the past – many of his strongest influences have been flea-market finds from the bazaars of the world, ranging from the Sunday market in Arles to London's Portobello Road.

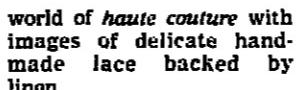
Just as his fashion is enlivened by a cross-fertilisation of ideas and influences, by historical references and images, so too is his tableware. All these are filtered through the energetic Lacroix eye and emerge in concrete form in his fashion and now in his tableware.

Take the carnation, an image that could be kitsch or cloying in less expert hands. Lacroix uses it *trompe-l'oeil* fashion on fabric (for tablecloths and napkins) as well as on Limoges china (for the tea set, ashtrays, *bombonnières*, tart plates, coffee pots and the like). More *trompe-l'oeil* is apparent in printed lace tablecloths, which echo the

Pieces from the *Follement* collection in blush pink



Crystal goblets in pink, blue, green and yellow



The table setting manages to be both light-hearted and luxurious

world of *haute couture* with images of delicate hand-made lace backed by linens.

And yet more references to the world of *haute couture*

appear in the plates in the Souvenir-Souvenir collection of china. These feature drawings by Lacoste which seem to represent themes his fans know so well – the theatre, bullfighting, the 18th century, the heart and the sun.

He draws from all ages – Victorian (its prissy refinement is echoed in the Limoges tea-set), the 18th century (for his formal damask tablecloths), modern times in the mix of the sugar-almond colours and different coloured tea-glasses – managed to be both light-hearted and luxurious. It was light-hearted in its relaxed attitude to mixing

his new collection was unveiled in the august salons of the Grand Hotel in Paris he did so in a refreshingly carefree manner.

The best of the table settings – a table covered with a lettuce green damask undercloth, a white over-cloth and then set with his *Follement* dinner service in a mix of the sugar-almond colours and different coloured tea-glasses – managed to be both light-hearted and luxurious. It was light-hearted in its relaxed attitude to mixing

and matching colours but luxurious in the use of high-quality fabrics such as damask and finest Limoges and Christofle crystal.

It was given a modern edge by teaming the table with white-painted chairs upholstered in brightly coloured vinyl but grandeur was added with an antique chandelier above the table.

All this may make the wares sound more expensive than they are. They are not outrageous – a boxed set of two Limoges cups and saucers, for instance, will be about £69. Beautiful damask tablecloths with an all-over self-pattern in pastel shades, as well as white, will start at £97. The cut-glass tea-glasses in stunning shades will be about £62 each.

Though many designers – Ralph Lauren, Versace, Kenzo, Romeo Gigli and Donna Karan – have cottoned on to the notion of providing already faithful customers with yet more labelled wares ("lifestyle" products) on which to spend

their money, few seem to have done it in so wholehearted and personal a way.

Looking at this new collection it seems evident that it is authentic Lacoste – in other words, if you like the clothes you will love the tableware.

■ The Lacoste tableware collection will be on sale in the china department of Harrods of Knightsbridge, London SW1, and at Christofle, 10 Hanover Street, London W1, from mid-March.

Lavender ribbed twist
30 mocc. size 5442, by Alan
Ferrante, from Browns 229
Montague Street, London W1.
Tel: 0171-431 7333.

Delicately coloured twist
designed to be worn with
sheer skirts but would also
look good with a simple
skirt for the office. Also available
in black, pink.

© Browns 229



The table linen comes in a range of glorious colours

Brocante from the UK

Lucia van der Post discovers an evocative range of furnishings

Is it an illusion or is it authentic Provençal *brocante*? Or could it simply be that that particularly enchanting chair you saw in a smart home interiors magazine or that slightly battered but oh, so perfect armoire, was found at Grand Illusions?

Grand Illusions has developed a unique line of almost instantly available and accessible furniture and furnishing accessories that look as if they have just been discovered tucked away in a French village. Only the

especially cynical or experienced eye would guess that it is all being made in the north of England to the designs of the two English owners.

Part of the reason the furniture looks so authentically scruffy is that it is made from timbers and joists that are genuinely old. All of it is more than 100 years old and it comes from houses and buildings in the north. The paint techniques are specially designed to make sure that no piece ever looks as if it had just emerged shin-

gly new from some high-tech emporium.

We are, you will have gathered, talking romantic here. This is not furniture for those who are addicted to Tom Dixon and Ron Arad, whose idea of furnishing a house revolves around experimentation and bold new materials. The whole collection – besides furniture, there are accessories of all sorts – has been, in the words of one of the owners, Nick Ronald, "truly, madly, deeply inspired by France, or to be more accurate, French Country Style".

It reeks of a certain *nostalgia* for ways of life that are fast vanishing even in *La France Profonde*, but that it has great charm it is hard to dispute.

If you have despaired of finding a traditional *armoire*, if you have long wanted a proper old-fashioned housekeeper's cupboard or a Love Seat à la Monet, then you will find these pieces in Grand Illusions' mail order catalogue.

The pieces seem extraordinarily reasonable – pieces such as Monet's Love Seat, if found in a genuine antique shop, would sell for more than twice the sum that Grand Illusions is selling it for (£335). The housekeeper's cupboard (a bottom cupboard with doors and upper cupboard with four shelves with either wired or glazed doors) sells for £650 if in bare

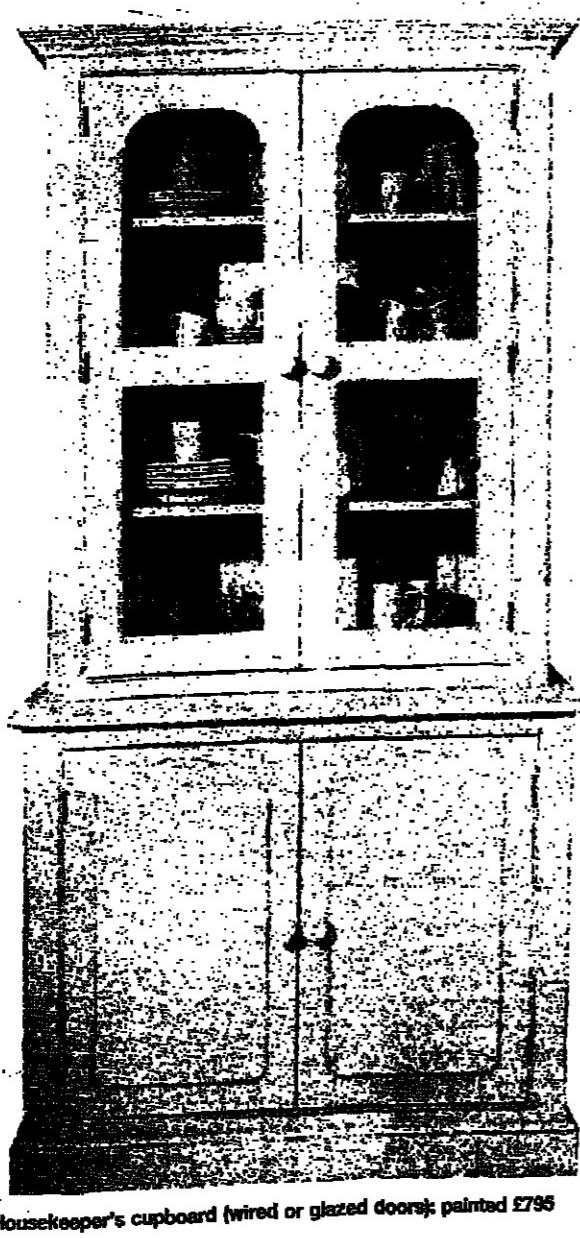
wood or £795 if painted.

Monet's dining chairs (copies of those from his house at Giverny) are £100 each (in bare wood). All the furniture can be bought either in bare wood or painted in one of 34 colours (all traditional colours made from earth pigments and china clay which emulate the flat milk paints of the 19th century).

One of the most popular lines with those who work at home and dislike the high-tech look of much home office furniture are pieces that Grand Illusions has designed to have the practical function required (filing cabinets, desks and the like) but to look like domestic furniture. There are drawer plan chests, pedestal desks, drawer organisers and filing cabinets in either plain wood or painted with the colour ageing technique and finished with "antiqued" handles and other fittings.

The accessories include stripy blue and white china, country-style urns, candlesticks and garden appurtenances, rustic pottery and the like.

■ Delivery of the furniture usually takes about four weeks. The catalogue is available for £1 from Grand Illusions, 2-4 Crown Road, St Margarets, Twickenham, Middlesex TW1 3EB (Tel: 0181-744 1046; fax: 0181-744 2017).



Housekeeper's cupboard (wired or glazed doors); painted £795



Monet's love seat; waxed £360, painted £425



Destined for others to imitate.



London

The new Asprey Icon Collection. Stunng single stone diamond rings set in 18 carat yellow or white gold, exclusively Asprey from £1,800. Asprey, 165-169 New Bond Street, London. Telephone: 0171-495 6707.

TRAVEL



Elegance makes a comeback: the \$175m project will transform the 84-year-old Beaux Arts landmark into a venue for New Yorkers, tourists and commuters to shop, drink and eat in

Destination Grand Central

New York's imposing station is being turned into a place to linger, says Alan Ponsford

It was probably nostalgia, but maybe just force of habit, that made me turn off Lexington Avenue into Grand Central.

On such rainy mornings long gone by, when I lived on First Avenue and worked on Fifth, I would, en route from the former to the latter, cut through the sanctuary of New York's imposing main station to escape several blocks of shabby sidewalks.

But now, surprise, surprise. What was going on? There should have been graffiti proclaiming "Christo was here". For it seemed the unconventional Bulgarian artist had moved on from the Reichstag and Pont Neuf to wrapping another of the world's most famous edifices.

The lofty main concourse had been turned into a giant marquee, its walls shrouded

top to floor, its 120ft ceiling hidden behind layers of polyester, nets and ducts. Most of the clutter of shops had been torn out. Yet still the 500,000 people, half of them commuters, who use the terminal daily continued to scuttle unimpeded in all directions.

What is happening around and above them is the transformation of Grand Central from just a place to hurry through into one to linger in and admire. The \$175m revitalisation project aims by next year to develop the 84-year-old Beaux Arts landmark building into a venue for New Yorkers and tourists to meet, eat, drink and shop, as well as greatly improving the lot of train and subway travellers.

Already the old waiting room has been given back its former ornate elegance, which had faded as long

Cafés, bars and shops will offer quick service and relaxing meeting areas

But the most striking revitalisation will be in the main concourse. It will give the heart of the city a splendid new covered piazza.

Behind those massive drapes, it is being ringed on three sides by balconies to

house four up-market restaurants. They will be open-sided so that diners will look down on to the thronged Tennessee marble floor and up to the restored celestial ceiling.

Ten workers are spending eight months on a moving gantry reclaiming the ceiling's mural of zodiac signs and constellations, which include 2,500 gold stars against a cerulean blue background.

At the east (Lexington Avenue) end of the concourse the grand monumental staircase originally planned but not built will now be added. Seemingly a mirror image of the one at the opposite (Vanderbilt Avenue) end, it will in fact incorporate small, subtle differences to disclose its modernity.

Above it, what used to be the most eye-catching feature of the station, the illuminated Kodak Colorama sign, has gone. Thus the three huge windows have been unlocked, admitting a cascade of morning sun and revealing a view of the UN building on the East River that New Yorkers have never known.

A new entrance from Lexington Avenue, to be called the Grand Central Market, will be lined with high-class food stores under glass canopies.

The station's lower level, the suburban concourse, is being radically remodelled in a style reminiscent of early 20th century train travel. Cafés, bars and takeaway food shops will offer both quick service and relaxing meeting areas. The renowned oyster bar will remain operational throughout the building work, which will open it up to sunlight by removing overhead ticket offices.

The main visionary of this grand design is a Welshman, Cardiff-born and bred John Belle. His architectural partnership, Beyer Blinder Belle, has become a leader in restoring historic American landmarks, including Ellis Island, described in these pages last year. In rejuvenating a superb New York institution for the 21st century, he is determined it shall not become just a giant shopping mall relegating trains and travellers to a secondary role, as many believe has happened at Washington's Union Station.

"It is still going to be a gateway to a great city with train travel as its focus," he says. "That will never change."

Grand Central Terminal

should indeed become a destination in its own right.

Skiing Mistaken for a champion

. . . well nearly, says Arnie Wilson on the FT Downhill Challenge

If only I had kept quiet about an accidental switch of bib numbers with Martin Bell, I could have caused a minor sensation in the Weisse Schuss, a downhill race for all-comers in the Swiss ski resort of Flims.

Bell, former Olympic ski racer and captain of the British Flyers, one of five teams of Financial Times readers in the race had picked up my bib - number 2311 - by mistake.

All I had to do was cruise down the 7km course (a shortened version because of thin snow on the lower slopes) wearing his number while he carried my number to the glory of a spectacular ranking among the 1,000 or more racers. But, in the end, I owned up.

Each team is released like a pack of greyhounds from the top of the Vorab glacier at one-minute intervals. As our team of five hurtled down the opening schuss - the steepest part of the race - I watched Bell receding rapidly into the distance.

The rest of the team jostled for second, third and fourth place (only the first four in each team qualify).

It is not often that one has the chance of skiing behind a world-class downhiller in a real race, so I savoured the few seconds while Bell remained in sight.

I could have borrowed Bell's racing cat suit for the race, but I had decided on discretion. Besides, I did not really want to be travelling much faster than I already was.

Intent on ensuring that I was not overtaken by any of the 20 or so FT readers taking part in the FT Corporate Downhill Challenge, within the Weisse Schuss race, I remained in a racing tuck until my back started to protest.

Anna Walker, the television "action-girl" who presents Walker's World, chose this moment to steam past me. How could this slip of a girl have developed sufficient momentum to overtake 15% stone of brawn?

Bell explained later: "In theory, your weight should have carried you faster. But we found that in downhill racing, skiers with long, lean bodies often went faster because they could tuck themselves into neater packages."

Indeed, Bell's brother Graham, Britain's best hope in the downhill at the next winter Olympics in Nagano, Japan, is taller and lighter than Martin but a "better gilder".

With a time of six minutes and 47.99 seconds, I was

happy to finish "only" one minute and 25 seconds behind Bell. I felt quite smug. The other FT teams were soon at the finishing line to join us for a celebration drink in the sunshine at the bottom of the Mutta Rotunda lift.

I'm really miffed that Nigel beat me, even though it was only by a second and a quarter," puffed Will Sketchley (seven minutes and 51 seconds) of the Slothful Slopers. "He only arrived last night, he's scarcely seen the course, and I was hoping to take him to the cleaners."

Francis Ellison, a banker and the only British skier to take part in all four of Switzerland's all-comers races - the Weisse Schuss, the Murren Inferno, the Belalp, and the Saas Fee Volksfahrt - managed the fastest official British time of the day (six minutes and 24 seconds) and a wooden spoon on behalf of his team.

Later, still high on adrena-

line

In, we skied what would normally have been the lower half of the course - the fearsome Platt Alva. Here I quickly got my come-uppance, encountering an embarrassing cocktail of my most feared conditions: icy moguls on a double fall-line in bad light with stiff, lumbering downhill skis.

Bell, of course, skied it immaculately, leaving me feeling like a raw beginner. As all skiers know, fortune on the slopes can change as quickly as the weather.

The night belonged to Byron Rose and his Touchbase Tigers, the official winners of the FT Challenge. The partying went on late into the night. At 9.30 the following morning, when Bell had agreed to take the group skiing again, they were all either still asleep or recovering from the excitement. No one turned up. Even for Martin Bell.

The FT Corporate Downhill Challenge, in the Weisse Schuss race, was organised by Powder Byrne, 4 Alice Court, 116 Putney Bridge Road, London SW15 2NQ (tel: 0181-871 3300). Arnie Wilson flew with Swiss Air, 1 Swiss Court, London W1V 4BZ (tel: 0171-494 7300), and stayed at the Hotel Mira Riva.

Off the Road

Win some - lose more

Nicholas Woodsworth finds that nothing is real in Las Vegas

It was just after sunset when I rolled out of the Nevada desert into the bright lights of the Las Vegas.

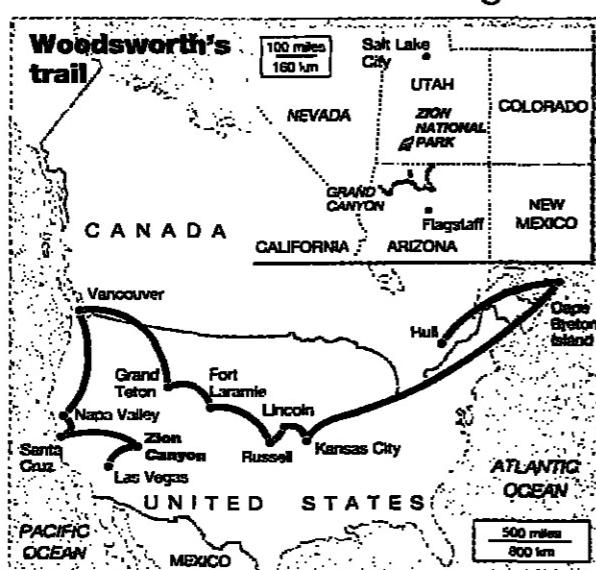
In my own mind I was James Bond, suave, elegant, a character who, with cool daring at the gaming tables, was about to raise eyebrows. In reality, I suppose I may have cut a somewhat less imposing figure.

Who, I ask you, can camp in the back of a Volkswagen van for weeks on end and come out looking entirely suave? I was bleary-eyed and rumpled. There were ketchup stains on my trousers. My unshaven chin had taken me a day, perhaps two days, beyond designer-stubble chic. Not even my Marks and Spencer sports jacket, dug out ready-pressed from under my mattress, gave me the *sleek* I was hoping for.

Was that a cruel smile of derision thrown my way by the uniformed chauffeur of the white, stretch limousine sweeping by? I had to admit that, seen under the great blitz of neon outside, my van was not quite Aston-Martin quality - multi-coats of desert dust could do nothing to hide her rust spots and missing hub caps.

Never mind. I ignored the lime and gazed instead at the blinking marquees, the illuminated pleasure palaces, the flashing electronic billboards I was passing.

Tom Jones was appearing at the MGM Grand in a spe-



cial return engagement. Engelbert Humperdinck was singing at Bally's. The Radio City Rockettes - 24 dancers, 48 legs - were stepping out at the Flamingo Showroom. On and on it went, down both sides of the palm-lined boulevard, one glittering establishment after another - the Stardust, Luxor, the Desert Inn, the Tropicana, Aladdin, the Sahara... I parked, gave a last hasty dab at the ketchup spots, and stepped out into the star-studded magic of the Las Vegas night.

Immediately, I was brought up short. I seemed to be the only person in the crowd with any dress sense.

Where were the dinner jackets, the dully twinkling cufflinks, the slim feminine silhouettes I had expected around the roulette table?

Most of the silhouettes I could see were overweight and in track-suits. There were punters in shorts, in jeans, tank tops, nylon windcheaters, polyester pantsuits, Red Sox baseball caps. Where, indeed, were the roulette tables themselves? They do exist in Las Vegas, of course, along with blackjack and other games that allow Bond-like characters to display sophistication, daring, even skill. But as I followed the crowds through one vast, thronged casino

gaming room after another it was not sophistication that came to mind.

Nothing came to mind, in fact; nothing could amid the endless rows of mindlessly clanging, beeping, coin-spewing slot machines. Easy to play and requiring no skill, the "slots" are Las Vegas's bread and butter - almost a quarter of a million of them bring casino owners more than 70 per cent of their gambling profits.

No matter, I said to myself, abandoning the idea of spinning wheels, little white balls, and vodka martinis that were shaken, not stirred. When in Rome... Like everyone else, I would drink beer out of the bottle and play the slots.

A couple of hours later I was still there, a small plastic bucket of coins in hand, staring zombie-like as cherries, apples and oranges came round. The problem - no matter how often I pulled the handle, no matter how often the waitress with the free drinks and the low bust-line urged me on - was that they rarely came round in the right combination.

One never loses consistently. One wins sometimes, then loses more. I moved from the dollar machines to the quarter machines. I continued losing. I was desperate. I finally found myself in that section of the casino, frequented by little old chain-smoking ladies doggedly playing three machines at a

time, where you can still win a fortune with a nickel. I did not. I decided to quit before I signed the house away.

Surely, I said to myself as I wandered down the sidewalk, hands deep in now miraculously light pockets, there is more to Las Vegas than that. The city is not just a marvellously efficient money-making machine. If I was still there, a small plastic bucket of coins in hand, staring zombie-like as cherries, apples and oranges came round. The problem - no matter how often I pulled the handle, no matter how often the waitress with the free drinks and the low bust-line urged me on - was that they rarely came round in the right combination.

One never loses consistently. One wins sometimes, then loses more. I moved from the dollar machines to the quarter machines. I continued losing. I was desperate. I finally found myself in that section of the casino, frequented by little old chain-smoking ladies doggedly playing three machines at a

time, where you can still win a fortune with a nickel. I did not. I decided to quit before I signed the house away.

Surely, I said to myself as I wandered down the sidewalk, hands deep in now miraculously light pockets, there is more to Las Vegas than that. The city is not just a marvellously efficient money-making machine. If I was still there, a small plastic bucket of coins in hand, staring zombie-like as cherries, apples and oranges came round. The problem - no matter how often I pulled the handle, no matter how often the waitress with the free drinks and the low bust-line urged me on - was that they rarely came round in the right combination.

One never loses consistently. One wins sometimes, then loses more. I moved from the dollar machines to the quarter machines. I continued losing. I was desperate. I finally found myself in that section of the casino, frequented by little old chain-smoking ladies doggedly playing three machines at a

time, where you can still win a fortune with a nickel. I did not. I decided to quit before I signed the house away.

Surely, I said to myself as I wandered down the sidewalk, hands deep in now miraculously light pockets, there is more to Las Vegas than that. The city is not just a marvellously efficient money-making machine. If I was still there, a small plastic bucket of coins in hand, staring zombie-like as cherries, apples and oranges came round. The problem - no matter how often I pulled the handle, no matter how often the waitress with the free drinks and the low bust-line urged me on - was that they rarely came round in the right combination.

One never loses consistently. One wins sometimes, then loses more. I moved from the dollar machines to the quarter machines. I continued losing. I was desperate. I finally found myself in that section of the casino, frequented by little old chain-smoking ladies doggedly playing three machines at a

time, where you can still win a fortune with a nickel. I did not. I decided to quit before I signed the house away.

Surely, I said to myself as I wandered down the sidewalk, hands deep in now miraculously light pockets, there is more to Las Vegas than that. The city is not just a marvellously efficient money-making machine. If I was still there, a small plastic bucket of coins in hand, staring zombie-like as cherries, apples and oranges came round. The problem - no matter how often I pulled the handle, no matter how often the waitress with the free drinks and the low bust-line urged me on - was that they rarely came round in the right combination.

One never loses consistently. One wins sometimes, then loses more. I moved from the dollar machines to the quarter machines. I continued losing. I was desperate. I finally found myself in that section of the casino, frequented by little old chain-smoking ladies doggedly playing three machines at a

time, where you can still win a fortune with a nickel. I did not. I decided to quit before I signed the house away.

Surely, I said to myself as I wandered down the sidewalk, hands deep in now miraculously light pockets, there is more to Las Vegas than that. The city is not just a marvellously efficient money-making machine. If I was still there, a small plastic bucket of coins in hand, staring zombie-like as cherries, apples and oranges came round. The problem - no matter how often I pulled the handle, no matter how often the waitress with the free drinks and the low bust-line urged me on - was that they rarely came round in the right combination.

One never loses consistently. One wins sometimes, then loses more. I moved from the dollar machines to the quarter machines. I continued losing. I was desperate. I finally found myself in that section of the casino, frequeted by little old chain-smoking ladies doggedly playing three machines at a

time, where you can still win a fortune with a nickel. I did not. I decided to quit before I signed the house away.

Surely, I said to myself as I wandered down the sidewalk, hands deep in now miraculously light pockets, there is more to Las Vegas than that. The city is not just a marvellously efficient money-making machine. If I was still there, a small plastic bucket of coins in hand, staring zombie-like as cherries, apples and oranges came round. The problem - no matter how often I pulled the handle, no matter how often the waitress with the free drinks and the low bust-line urged me on - was that they rarely came round in the right combination.

One never loses consistently. One wins sometimes, then loses more. I moved from the dollar machines to the quarter machines. I continued losing. I was desperate. I finally found myself in that section of the casino, frequeted by little old chain-smoking ladies doggedly playing three machines at a

time, where you can still win a fortune with a nickel. I did not. I decided to quit before I signed the house away.

Surely, I said to myself as I wandered down the sidewalk, hands deep in now miraculously light pockets, there is more to Las Vegas than that. The city is not just a marvellously efficient money-making machine. If I was still there, a small plastic bucket of coins in hand, staring zombie-like as cherries, apples and oranges came round. The problem - no matter how often I pulled the handle, no matter how often the waitress with the free drinks and the low bust-line urged me on - was that they rarely came round in the right combination.

One never loses consistently. One wins sometimes, then loses more. I moved from the dollar machines to the quarter machines. I continued losing. I was desperate. I finally found myself in that section of the casino, frequeted by little old chain-smoking ladies doggedly playing three machines at a

time, where you can still win a fortune with a nickel. I did not. I decided to quit before I signed the house away.

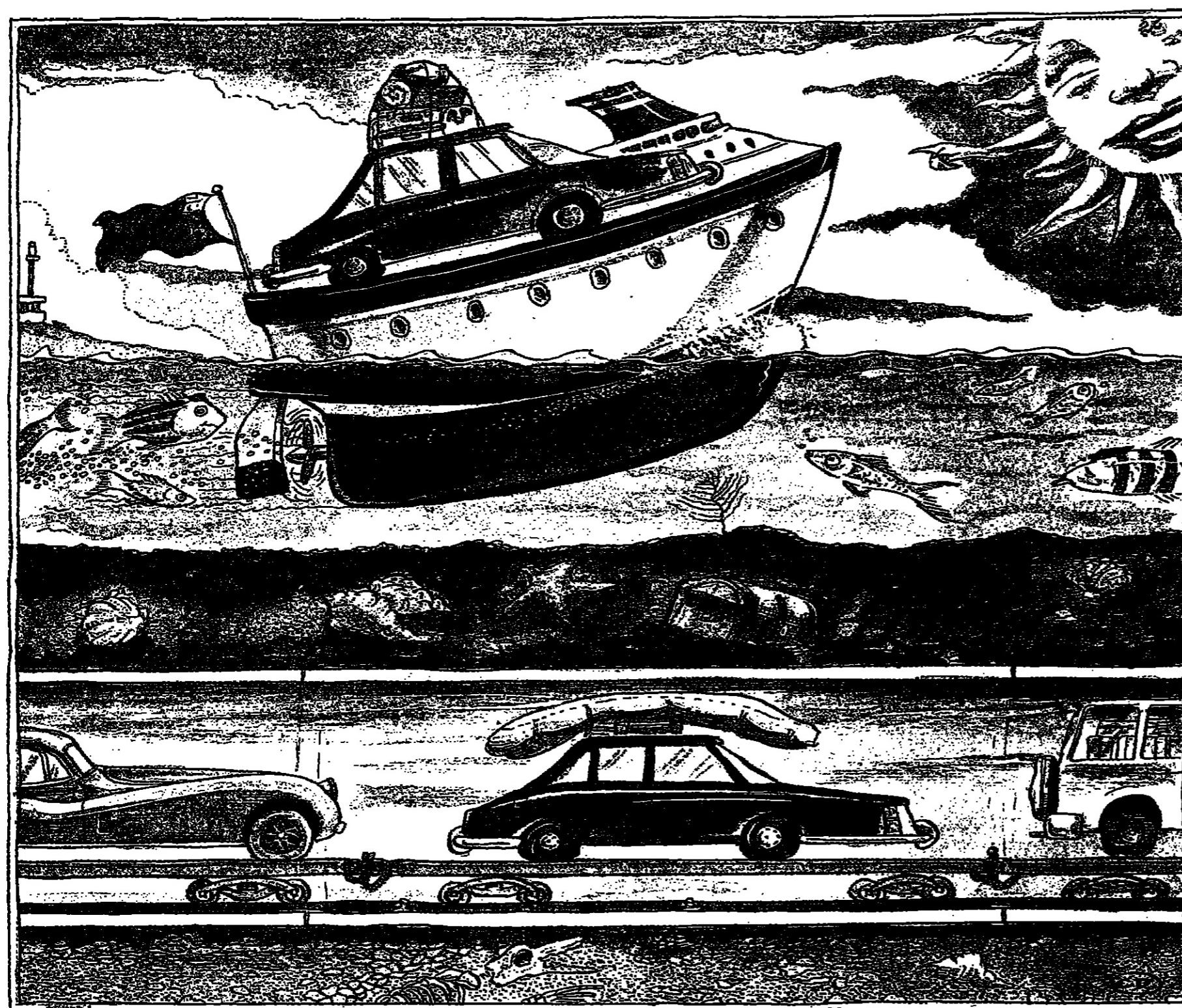
Surely, I said to myself as I wandered down the sidewalk, hands deep in now miraculously light pockets, there is more to Las Vegas than that. The city is not just a marvellously efficient money-making machine. If I was still there, a small plastic bucket of coins in hand, staring zombie-like as cherries, apples and oranges came round. The problem - no matter how often I pulled the handle, no matter how often the waitress with the free drinks and the low bust-line urged me on - was that they rarely came round in the right combination.

One never loses consistently. One wins sometimes, then loses more. I moved from the dollar machines to the quarter machines. I continued losing. I was desperate. I finally found myself in that section of the casino, frequeted by little old chain-smoking ladies doggedly playing three machines at a

time, where you can still win a fortune with a nickel. I did not. I decided to quit before I signed the house away.

Surely, I said to myself as I wandered down the sidewalk, hands deep in now miraculously light pockets, there is more to Las Vegas than that. The city is not just a marvellously efficient money-making machine. If I was still there, a small plastic bucket of coins in hand, staring zombie-like as cherries, apples and oranges came round. The problem - no matter how often I pulled the handle, no matter how often the waitress with the free drinks and the low

MOTORING



Le petit déjeuner sur la mer

In part one of a series on motoring holidays, John Griffiths tells how he prefers to cross the Channel

To take your car on holiday is one of those delightfully ambiguous phrases that implies you both need a break. It contains an element of truth. A car which has spent most of the year in the stop-start of the daily commute will be reinvigorated as much as its owner by a long, uninterrupted high-speed run to the sun.

The case for taking one's own transport on holiday from the UK, at least in Europe, is as strong – perhaps stronger – than at any time in the past.

The choices of holiday that have opened up on the Continent, as the barriers of central Europe have come down, has broadened considerably and become more dependent on having personal mobility on immediate tap.

To explore the beauties of Prague or Budapest, and the meanderings of the Danube, is now almost as accessible as dawdling in the Dordogne – and no less dependent on the private car.

As one-stop beach holidays have lost their allure, helped along by the remorseless growth of air traffic delays, the message has not been lost on the vacation-bound British. Motoring organisations estimate that 2m will take their

cars, caravans and campers across the Channel this year.

By the time most are ready to depart, the Channel tunnel blaze will be a fast-fading memory for everyone except Eurotunnel's bankers.

The number of passengers using the tunnel reached 13m last year,

up from 8m the year before. The tunnel accounted for nearly half the total cross-Channel car market.

For millions of car drivers, Le Shuttle has fundamentally changed the game in terms of who pays the ferryman and, more importantly,

how much.

Le Shuttle is not quite ready to publish its summer holiday fares.

But the 1997 offers of its seagoing rivals already reflect the savagery of the price war.

Book early, and the bargains are legion. Pay up by February 28 and £98 will buy a peak-season return crossing for a car on any of Stena's short cross-Channel routes: Dover-Calais, which accounts for 80 per cent of all cross-Channel traffic, and Newhaven-Dieppe. P&O is charging a niggardly £1 more. Both represent huge discounts on the prices in the brochure last year – a P&O peak return was £366 – and even on those for 1997 (£268, again P&O). Sea France has £79 return crossings for those who travelled

cars, with the company at the same price last year.

So almost anyone who pays full price this year is likely to be travelling at short notice or has done no homework at all, or is not usually allowed out alone.

The less cheerful message is

Anyone who pays full price is likely to be travelling at short notice or has done no homework

that, if a Continental holiday by car is something indulged in only occasionally, then the time to act is now. By the end of March, we should know if the Monopolies and Mergers Commission has approved a merger on the Dover operations of P&O and Stena, in response to competition from the Channel tunnel.

If, as seems likely, the merger gets the nod, a new summer fares

brochure will be rushed out.

The terms are hardly likely to be as generous as those on offer now. But the competition mentality – even for those out of the immediate firing line – has led to other ferry fares being cut, in Brittany Ferries' case, for example, by an average 13 per cent.

Which cross-Channel mode to pick, however, is likely to involve preferences other than price differentials, for Le Shuttle's are unlikely to stray too far from those of the ferries.

For those whose holiday does not start until the first menu *dégustation* is wreckage on the tablecloth, the tunnel undoubtedly provides a flying start. Starting at the same UK departure time, the tunnellers can be well down the autoroute to Paris before one of Stena's finest has even tied up.

But for this motorist, at least, there is a better way. A 7.30am Dover-Calais ferry will do nicely. Park the car, grab the papers and head for the ferry's best restaurants. Time was, pre-tunnel, when the ferries on the short crossings could have taught a British Rail buff a thing or two about the "dainty" breakfast the kind you looked at for a minute to be put off eating for a week.

Now, they are superb. On both

P&O and Stena there is now the equivalent of airline club class: both companies' vessels proudly carry Les Routiers, Automobile Association 5-star and other alimentary accolades.

There is an occasional off day, I have yet to encounter one. The "full house" traditional English breakfast from either is as fine a creation as in any hotel; the staff are fully trained in all the niceties of serving it and best of all, appear genuinely to enjoy the job – a change if ever there was one.

If there is a threat to this appealing scenario, it comes from the ferry operators themselves. In its anxiety not to lag too far behind Le Shuttle, Stena, for example, has introduced super-fast ferries like the Lynx III which can whisk 150 cars and 600 passengers across the strait at nearly 50 miles an hour. Breakfast is still there on Lynx III, but it is no longer quite so leisurely. There is a hint of haste to those on slower vessels, is the perfect bracer for the long slog south.

Stena could have saved itself a lot of cash. Like a lot of holiday travellers, I suspect, I'd rather have the umpteenth cup of coffee... Next week, Part II: Do not upset a French policeman

Motorcycling

Fear not the biker – he travels in peace

Peter Whitehead makes the case for road-users who are always fighting others' first impressions

My daughter's cough had worsened and if the family was to get any sleep that Saturday night I would have to reach Boots the chemist before it closed.

I had 20 minutes. Boots was 15 miles away. Only the bike would give me a chance.

Leather on, boots on, helmet on, start it up and I was away in search of a humidifier – a plug-in device that puffs out steam to moisten a coughing child's air passages and simultaneously loosens your wallpaper.

Dual carriageway speeds nearly all the way left me

with four minutes to park and burst in before the shop's shutters came down for the weekend. I am a stickler for parking legally and with a motorcycle it comes easily.

Boots was still open and I charged in – 6ft zins of black leather and determination. Shoppers scattered, assistants took cover.

Would anyone help me find a humidifier?

Then I experienced their over-compensation. As soon as the staff realised that I came in peace, I became top priority. They said: "Of course, I can help, sir," (to me) and "I'm sorry, I'm serving this gentleman" (to other customers).

Motorcyclists who double up as fairly normal beings experience this phenomenon all the time. Fear and loathing at first sight turns to relief and a friendliness far beyond that which the occasion demands.

Some motorcyclists are best left unaggravated (as indeed are some car drivers) while some "professionals" – dispatch riders, pizza delivery

riders – allow their work to make them more aggressive and less polite than might be wished for.

But while ordinary riders are, for the most part, among the better behaved road users, bikers are given fuel aplenty for feeling very much outsiders. In heavy traffic, there is always the odd car, van or lorry driver happy to make room for a motorcycle but there are many more who will inch out of their intended path just to block your progress.

It is often said that drivers should gain first-hand experience of motorcycling before being allowed on the road. It would certainly open their eyes to the serious dangers to which their discourtesies expose us but I feel that is going too far.

Education might be enough. Let drivers know, for example, that motorcyclists are taught how to overtake stationary traffic; it even has a name – filtering. Let them know, moreover, that bikers will fail the test for their full licence if they do not make such progress.

Around them they are more alert as they have more things to do on a bike – and because their lives depend on it.

And drivers should be made to realise that motorcyclists, far from worsening road congestion and pollution, are alleviating the problems. They take up less

The bad-boy image – which I revel in myself from time to time – is no longer accurate

From there it ran across a roadway towards a shallow depression in a small parking area between the bridge wall and the office.

Here, it was transformed into a fetid swamp of many colours, all of them dull.

And this, of course, was the area allocated to motorcyclists needing somewhere to park their machines every day.

Bikers are doing all other road users a huge favour. Yet signs of gratitude are often looked for, seldom seen. And simply because of our appearance – black is the uniform colour because camel or khaki would quickly turn black anyway, not because of any ill intent – we are expected to put up with almost anything.

I have an example. For some time, hideous slime emerged from cracks in the giant brickwork supports that hold up Southwark Bridge, beside the FT's offices in London. Looking three parts primeval and two parts plain evil, the beige sludge trailed down the walls and gathered itself on the tarmac.

And it does us few favours in the long run. This is why I set out on most journeys with the aim of getting at least two appreciative waves or nods from other road users. And, with a little effort, most days I get them.

Manners maketh man

And that includes the motorists, suggests Stuart Marshall

For golfers, etiquette means replacing divots on the fairway, removing pitch marks from the greens and not holding people up by slow play. And for drivers? Is there such a thing as motoring etiquette? There should be; it would make life on the road more pleasant and less perilous for us all.

Correct Conduct, or Etiquette for Everybody is the title of a pocket-sized volume I picked up the other day for £1 at a second-hand bookshop. It was published, priced one shilling (5p), as one of a series in, I would guess, the early 1920s.

There are chapters on proper dress – "to be unkempt is to slight those whom you are visiting" – and eating: "do not use the fork as a navy does a shovel". On casual encounters, the book admits that a man who meets his parlour-maid in the street is in a quandary. "The strict rules of etiquette prescribe a nod: the fact that she is of the opposite sex suggests that his hat should be lifted. We advise him to raise his hat and not nod." So there.

"Do not say goodbye to your friends on the pavement while an uncomplaining conductor is waiting to start the bus or tram," says the section on public transport. "And remember that the raising or lowering of a train window should be at the discretion of the traveller who sits next to the door and faces the engine."

I thumbed the pages eagerly to find out how a car driver was expected to behave 75 years ago. Should he, perhaps, raise his hat before giving a jay-walking lady a warning toot on the klaxon? Did a gentleman in a motor car allow a horse-drawn carriage to take precedence at a crossroads? I shall never know because motoring was too much of a minority activity then. The author, a Mr M. Woodman, gave it not a single mention.

Let us, then, move on to 1997, with the car used for 90 per cent of all passenger journeys and trucks shifting the same proportion of the nation's freight. What advice would Woodman have for drivers and other road-users? I like to think that, for a start, he would say:

Do not drive through towns and villages too quickly; it is ill-mannered, potentially dangerous and positively illegal. Frequently, it is also pointless. You arrive at a red light five seconds earlier that you would have done if driving considerately and then have to wait that much longer to get moving again.

Do not forget that towns were created by and for people, not vehicles. Pedes-

trians no more want to step round cars illegally parked on pavements than you would wish to drive round them if they decided to walk in the middle of the road. Your car has a horn to give warning of its approach. Do not use it to vent your anger and impatience.

If ever tempted to make vulgar gestures at other road users or use foul language towards those who displease you, remember that you are only parading your coarseness for all to see. Do not shoot out of a side road and make approaching traffic brake, only to turn into your driveway a few yards further on. It is the motoring equivalent of letting a door slam in someone's face.

Never be tempted to ride on the back bumper of the car ahead of you when driving on motorways. You would not walk so closely behind anyone that, if they stopped, you would tread on

I LOANED THAT GUIDE MAN YOUR BOOK ON ROAD ETIQUETTE DEAR.



their heels or cannon into them. So why do it in a car, when the practice is dangerous as well as discourteous?

When using the radio or tape player in your car, remember that it is for your personal entertainment. Lower the volume to a reasonable level. Otherwise you will cause great offence to passers-by who may not share your taste in music.

Do not leap away from the traffic lights with spinning wheels and screaming tyres. It is not clever; merely a demonstration of how an inadequately trained chimpanzee might drive a car. Onlookers will regard the noise and pollution you are causing as a sign of your arrested development, probably aggravated by an unhealthy taste for reading too many "go faster" motoring magazines.

Perhaps it is just as well that Woodman is no longer with us. If he were, he might decide that trying to improve the manners of many motorists was already a lost cause.

Recreation? You must be joking

Writing from Gatehouse of Fleet, Scotland, J. E. Russell chides me for "promoting a myth fostered by an ignorant motor industry that 4x4s are recreational vehicles". Which, of course, to them, they are.

Russell's friends who tour the continent tell him that France is full of Citroën AXs and BXs with four-wheel drive that are unknown in Britain. He thinks they would be of more interest than "American gas guzzlers, unless you have someone else buying your petrol".

A good point, though it has to be said that four-wheel drive versions of normal road-going cars (for example, the Fiat Panda, Peugeot 405 and even Audi Quattro) have never attracted many buyers in Britain.

Subaru's faith in all-wheel drive cars is undimmed. Its Justy, at well under \$10,000, and its equally affordable Impreza hatchbacks and Legacy estates tackle snowy roads and hills with confidence and economy. When winter is over, they are nimble, sure-footed and safe and just as comfortable as any two-wheel-driven rival.

Stuart Marshall

By order of the Receiver Sons Baynes of BDO Stoy Hayward

1992 Mercedes 600 SEL

and

1992 Mercedes 600 SEL

both left hand drive FOR SALE BY

PRIVATE TREATY

Further details please telephone:

New Works at Borehamwood, Herts, EN12 9PS. Postcode 0170 673 6365

Mr Armit Wines
Chateau Lato
Miller at Sotheby

FOOD AND DRINK



Cookery

Spare a thought for the prized spud

Philippa Davenport says it is time we were reacquainted with one of our more staple foods

The frontispiece of Gerard's *Herbal*, dated 1597, shows the author holding a flowering sprig of what has become the third most important crop in the world, the potato.

Rice, bread and other wheat products, polenta and derivatives of maize, all have their fans, and true Scots believe good mornings begin with porridge oats. But taking Britain as a whole, the potato is our best loved comfort food, the only ingredient most people eat as part of their main meal daily.

Why, then, if we claim to like potatoes so much, are we so careless about them?

Prized potato varieties were traditionally handed down from mother to daughter in Chile and Peru as part of a bride's dowry, and as many as 50 different sorts might be planted in a single field, a diversity designed to guard against devastation by pest, disease or adverse weather conditions.

The tragedy of failed crops and subsequent famine in Ireland ought to have taught us the importance of biodiversity, but virtual monoculture is widespread in Britain and Ireland, and our children risk growing up potato ignorant.

How many schoolchildren

today can name more than half a dozen potato varieties, or even one or two? I suspect most have never seen earthy, freshly dug potatoes, may not even know that they grow underground. They recognise potatoes only in cooked or supermarket guise - as packets of crisps or bags of raw crinkle-cut chips in freezer cabinets.

To allow the next generation of cooks to become so distanced from the reality of one of our main staple foods is scandalous. Some basic understanding about food is an essential life skill, and I would like to see any school with a patch of spare ground turn it into a vegetable plot to be tended by pupils and teachers. Primary school children are not too young to benefit.

If growing is out of the question, the potato lesson should begin in the classroom with handling a selection of "dirty" potatoes, discovering the shapes, sizes and colours that distinguish one variety from another, from flaky paper-skinned, kidney-shaped Jersey Royals to round, prettily flushed, deep-eyed Kerr's Pinks.

Children should be taught to recognise quality and freshness, to look out for potatoes that feel firm and heavy for their size. They

should take part in tutored tastings, to assess the different flavours of different varieties (and compare organic versus ordinary specimens within a variety). They should explore the characteristics of floury versus waxy potatoes and the cooking methods most suitable for each type.

It has always puzzled me that a child's first cooking lesson, whether at home or at school, tends to be in the cake category: rock buns, rice crispy chocolate clusters et al. Why such perverse determination to encourage a taste for empty calories and invite potential dental caries in our children?

A sweet-tooth may be acquired more quickly and easily than a love of vegetables, but though many children may at first hate greens and carrots, I have yet to meet the child who refuses mashed potato. Mash is a winner - and teaching a child to make it is probably the single most useful cooking lesson he or she will ever receive.

The technique is not difficult or so lengthy that boredom will set in. The transformation from solid potato to mash delights young cooks. The ingredients are cheap, the results nutritious, comforting and delicious in their

own right. Once learnt, dozens of other recipes follow naturally in its wake, building up easily a solid repertoire that will stand the home cook in good stead down the years.

Basic mash can be varied by adding different flavourings (garlic, mustard, saffron or grated cheese, for example), and any of these varia-

tions can be turned into a sloppy, French-style potato purée by thinning it down with extra liquid or fat.

Another favourite trick is to replace up to half the potato with a second vegetable. Celeriac, leeks and parsnips are particularly popular for this purpose.

Mashed potato is excellent for thickening soups. Simply crush the spuds into the cooking liquor, using stock

or milk instead of plain salted water according to whim or recipe. Classics include a mild boiled onion and potato soup made with milk; a stock and potato soup finished with plentiful flecks of peppery green watercress; and caldo verde, in which thin, salt-watery potatoes and their liquor are laced with a handful of finely shredded cabbage, optional snippets of chorizo and a cold swirl of virgin olive oil.

For summer eating, the addition of leeks and cream to a basic potato soup produces elegant crème Vichyssoise. I am especially fond of herb and potato variations on the theme; both chilled lovage Vichyssoise and a creamy fragrant green coriander soup feature regularly on my menus.

Leftover mashed potato is so useful that many cooks always make more than they need for one sitting, with future meals in mind. A blanket of mashed potato will roof fish, cottage and shepherd pies. A nest of leek and potato purée with hard-boiled eggs slipped into it, masked with cheese sauce and browned under the grill makes soothing Anglesey eggs.

Extra ingredients can be worked directly into cold

mashed potato to good effect. Think of bubble and squeak, fish cakes, floury Irish potato cakes and croquettes, all of them fried, and potato gnocchi, which are poached.

I suppose we all think we know how to make mash. But, just as there are potatoes and potatoes, so there is mash and mash, and many grown-ups might learn a thing or two from starting again from scratch. Try the recipe below and you may discover what a difference attention to detail can make.

My mash has certainly taken on a new lease of life as result of whipping in air.

This is food for the gods, food for grown men and food for just weaned babies (well, without the mustard). And as Lindsey Bareham points out in her heavenly feast of a book, *In Praise of Potato* (Penguin, £9.99, 320 pages), mash is just one way to cook the versatile spud.

LINDSEY BAREHAM'S MUSTARD MASH (serves 2-3)

The perfect mash for sauces and mash.

500g floury potatoes (King Edward are Bareham's favourite, I have been using Kerr's Pink, Wilia and Romano this week); 50g butter; 50-100ml milk (see

Lunch for a Fiver

Bigger and better

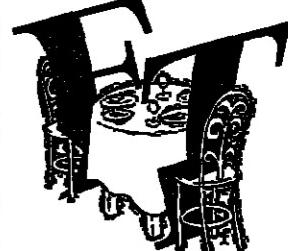
Lunch for a Fiver (£7.50 and £10) 1997 has proved bigger and more enjoyable from all accounts than any of its three predecessors. It has also meant a considerably larger mail/fax bag.

Most touching was a letter from a reader who went out with a group of friends to celebrate his 86th birthday with an FT £10 lunch at Sarastro restaurant, Covent Garden. The party donated a total of £250 to Save the Children which the proprietor, Richard Niyazi, then matched. Enclosed with his letter was the cheque for £500.

Collecting all the donations will take time and I hope to announce the overall amount, together with the restaurants you have judged to be the best in their price category, on March 1.

Most restaurants served even more FT lunches than in previous years. Steven Doherty, proprietor at the Punch Bowl, Crosthwaite, Cumbria, faxed his letter in haste as service was about to begin for his daily quota of 90 FT customers throughout the promotion. Kenneth Anderson, proprietor of the Marlborough Arms Hotel, Woodstock, said that what was normally the quietest time of the year had been transformed into a peak season - several customers even booked for weekend breaks in the hotel.

Joel Kissin, managing director of Conran Restaurants, reported that the FT lunches at Mezzo, which



reached 170 on several days, had been "a great success", and extended the offer into a third week. More specifically, executive chef John Torode added: "The FT lunch brought in a lot of customers from around the City who had abandoned the West End at lunch since the terrorist threats last summer."

At The River Café, W6, 50 per cent of its 90 covers for the fortnight were FT lunches - on the first day of the promotion every table was filled by 2pm. Co-proprietor Rose Gray said: "The FT lunch brought in a lot of customers who cannot normally afford our prices, as well as quite a number of chefs from other restaurants keen to eat here."

Finally, a fax came from a woman calling herself Mum of Linfield, Suffolk. It began by describing how Dad had to be dragged from his shares and fax machine; how they stopped en route to the Regatta restaurant, Aldeburgh, to buy paint and a new lock and then wrote how delicious their FT lunch was: prawn toasts with sesame seed and oriental dip followed by Dover sole with angel hair noodles and mushroom sauce, a bottle of Chablis and mineral water.

Thank you, it ends, and we are looking forward to 1998, the fifth anniversary of the FT's Lunch for a Fiver.

Nicholas Lander

Sportsman of the hog world

Giles MacDonogh on the clean, green life of the voracious Iberian pig



Hungry hogs if you leave the Iberian pig in a field or oak wood for long it will lay it bare

Magnum Photos

It was a nasty time of the year to visit the Extremadura on the Spanish-Portuguese border, but the pigs seemed happy. We ran into a little clutch of them standing up to their elbows in a stream the colour of tomato soup with cream. Then we visited one of their sites in the high sierras. They all came rushing out in twos and threes to see the strangers.

Sometimes they collided with one another in the narrow aperture and were temporarily jammed in the door. Then they scarpered off, squealing into the *dehesa* or oak wood - red ones, black ones, red and black ones - and began to gorge themselves on acorns from oaks and cork oaks.

It is odd to see a pig run, their front trotters flung forwards, the hind legs shooting backwards. There are no flies on an Iberian pig. It has an appetite, too. Indeed they are little machines for converting protein into fat. In a day a pig of 80kg or more can scoff a 10th of its weight in acorns, chestnuts, quinces or windfall olives as well as another 2kg of grass.

If you leave the pigs in a field or oak wood for too long it will lay it bare, even

companies licensed to sell Iberian ham products under the DO or "Denominación de Origen". One of the largest is Sanchez Romero Carvajal, part of the Osborne group, most famous for sherry.

We went for a tour of the plant and saw slicing and cooking chorizos, black-pudding like morcillas; oval morcitos looking like slightly deflated rugby balls; and long strips of loin hung up over oak braziers to cure. Downstairs we met the hams and shoulders. Their preparation could not have been simpler. They are buried in salt, washed and hung up to develop benign white mould which seasons the hams for the next two years.

We repaired to a handy little bar next door where a glass of fino was served and several plates of the loveliest ham in the world.

There is, in fact, more than one Iberian pig. There are as many as four or five sub-species, including the negro (black), rubio (red) and retinto (dappled) breeds mentioned above. My dream that the Iberian pig had remained free from genetic interference, however, was shattered during my visit to Jabugo. They blamed the English for the spotted or Manchado pig. Apparently British agriculturists began working on the Iberian pig as early as the 18th century, crossing it with an English breed.

The Spanish themselves

have done worse since. Afri-

method); 25ml cream; 1 tablespoon or more smooth traditional Dijon mustard. Peel the potatoes, cut them into even-sized chunks and boil fairly vigorously in salted water. Drain well in a mouli-legumes fitted with a medium-fine blade.

Rinse out the pan and heat 100ml milk. Pour off and reserve 50ml of it. Dice the butter, add it to milk remaining in the pan and heat again briefly to melt the fat.

Away from the heat, mouli the potatoes into the pan. Mix dry matter and liquid with a wooden spoon or wire whisk. Add the cream, mustard and a grinding of pepper, and beat the potatoes for as long as your arm can stand it, adjusting seasoning to taste as you go and adding some or all of the reserved hot milk to get the consistency you want. Reheat in a double boiler if necessary.

LINDSEY BAREHAM'S MUSTARD MASH (serves 2-3)

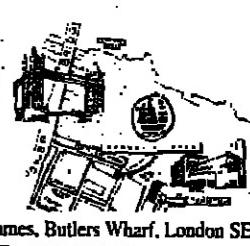
The perfect mash for sauces and mash.

500g floury potatoes (King Edward are Bareham's favourite, I have been using Kerr's Pink, Wilia and Romano this week); 50g butter; 50-100ml milk (see

BENGAL CLIPPER

At home on London's Historic Spice Wharf Bringing the Spice of Life from Bengal to Butlers Wharf Special menu from Bengal region of the Indian Sub-Continent During February 97

The Bengal Clipper would like you to experience and enjoy the very colourful culinary delight of Bengal. With room for 170 guests live piano music every evening, and on Sunday Buffet Lunch at £7.75 that can't fail to impress.



11/12 Cardamom Building, Shad Thames, Butlers Wharf, London SE1 Phone 0171 357 9001. Fax 0171 357 9002.

John Armit Wines and Château Latour Dinner at Sotheby's

Thursday, February 20th, 1997

Join us for dinner with Frédéric Engerer, Director of Château Latour, to drink Château Latour 1990, 1989, 1985, 1982, 1973, 1971, 1966 and 1964. Tel: 0171 272 2643

CLARETS VINTAGE PORTS WANTED

WE BUY ALL TYPES OF VINTAGE PORT IMMEDIATELY
Contact: Patrick Wilkinson
WILKINSON VINTNERS LTD
Fine Wine Merchants,
Tel: 0171 272 1982
Fax 0171 263 2643

PROPERTY

Andalucia's year-round retreats

Gerald Cadogan discovers a superb, remote place beyond the Costa del Sol's high-rise developments

Behind the Costa del Sol, the mountains of southern Andalucia start. This is another world from the high-rise and golf developments of the coastal strip. Ridge after ridge stretch up towards Ronda, home of Spain's oldest bullring, and Seville. On the lower slopes, almonds and mimosa are in bloom, and the oranges and lemons sparkle against the trees' dark leaves. Higher up, the country turns to bare rock, gorges and upland plains. The villages are universally bright white under red, pink and ochre tiled roofs.

Much of Andalucia's tough mountain culture survives - many of its people died brutally during the Civil War. Cork oak strippers (in summer) and chanterelle gatherers (in winter) continue to

make a good living, as they have for centuries. It is a superb, remote place to live, as expatriates have discovered over the past 15 years, leading to the nickname "the Spanish Chiantishire".

The weather can be extreme though. This winter has been the second wet one in a row after four years of drought. Everywhere roads have collapsed, mud slides abound and the long tracks to the houses are unusually rough. But there is an upside - it is turning into a vintage year for wild flowers, making a visit to Andalucia between now and May a visual treat.

I stayed near Gaucin (an hour's drive from Gibraltar/La Linea) at La Almudia, a friendly guest house on a *cortijo*, an old farm with 100ha (250 acre) holding with 12 houses (one is for sale). Provided you like dogs and

an unregimented life, it is an ideal base for walking, riding, painting and sightseeing. It is also a good base for house or plot hunters, especially since Diana Paget, owner of La Almudia, knows almost everything about the country and its properties.

Comparing southern Andalucia with Chianti is too simple. Both areas have British gentry, true. But although foreigners' houses are fewer in Andalucia than in Chianti, many live here all the year round, while in Chianti, around Gaiole, 1,000 UK summer residents shrink to 10 in the winter.

It is easy to reach the outside world from Andalucia, with many flights available to and from Malaga and Gibraltar. (Those in the know travelling to Andalucia via Gibraltar hire their cars in Spain at La Linea on the border and walk through the

frontier to avoid the hassle of taking the car through Spanish customs.)

The sea is near of course, unlike Chianti, if you want a walk on the sand on a sunny day in winter. Most of the time, however, you forget the razzmatazz of the coast. Because of the size of the mountains (up to 1,919 metres south-east of Ronda)

and the width of the river systems, the country is more open, more grand than Tuscany. Views from the mountains are superb, inland or down to Gibraltar or, on clear days, across the sea to Morocco in Africa. Maybe as a small reminder of the Moorish influence in Andalucia - the Moors occupied the region from 711 to 1492 - trips to Morocco are available by ferry through Algeciras.

Buyers should ask for a *finca*, that is a smallholding, which may have a building on it ranging from a *cortijo* to a pigsty, or no buildings at all. In the latter case, ask what is the minimum area in the commune that can qualify for a permit to build. A local contact is essential, and it is wise to stay up in the hills during the search. Houses are often for sale privately by the owner, or sit for years, semi-for-sale, until the owner finds a good enough offer. Patience is essential and one must net work hard.

According to Robert Germaux of Haciendas Real Estate Group, plots for building are far better value than on the coast, where 1,000 sq metres (the minimum

required by the planners) costs Pta15m-Pta40m (£10,000-£180,000). Inland, where the minimum can be up to 10 times more, expect Pta10m-20m. Two houses Germaux is selling near Ronda, each for Pta75m, illustrate the up-country market neatly. One is a top-notch house with five bedrooms and 20 hectares,

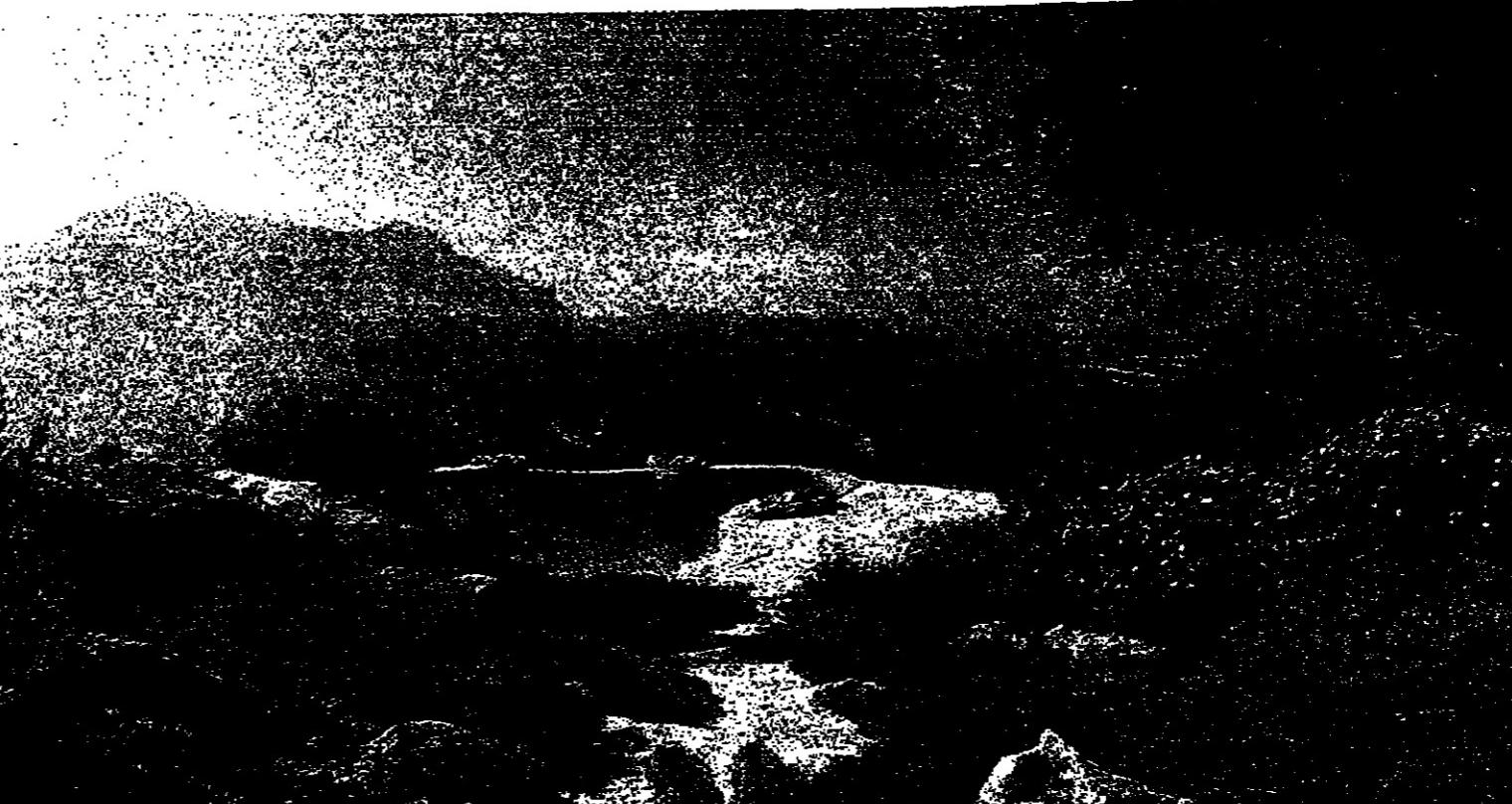
house, conjured out of a boasting feral green parrots. It also has a dark blue tiled pool, the views from which are stunning. Hamptons asks Pta120m.

Buyers are advised to engage a Spanish lawyer, especially to check that there are no outstanding mortgages or unpaid taxes (for which you could become liable). Buyers should also avoid under-declaring the value of their property to the Spanish authorities, lest

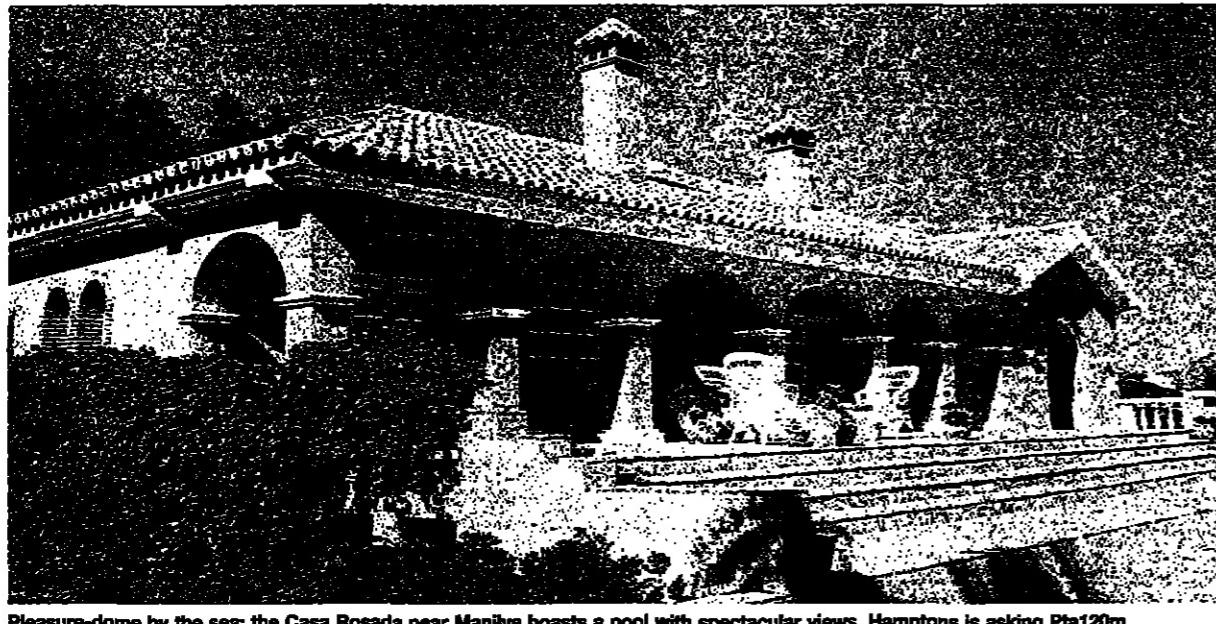
they find they have created an unrealistically large capital gain on the profit. Hamptons's policy is to declare the paid price.

Finally, on inspection, pay particular attention to the ceilings. Are there stains? Or did the roof survive the hard test of the rains of 1996-97?

■ In Spain (0034): Rafael Calleja, Madrid (1-411-3765); Haciendas Real Estate Group, Benahavis (5-285 5555); Hamptons, Marbella (5-286 1909); Luna Krom-Möller, Marbella (5-222 7215); Art van Kruiselbergen, Ronda (5-211 4227); Christopher von Meister, Gaucin (5-215 1303); and La Almudia guesthouse, Gaucin (5-215 1200).



Breathtaking views towards Gibraltar and the mountains of Africa from the secluded Cerro Herrera near Gaucin, a *cortijo* with typical Andalucian house set in 11 acres



Pleasure-dome by the sea: the Casa Rosada near Manilva boasts a pool with spectacular views. Hamptons is asking Pta120m

DAVOS SWITZERLAND



PRESTIGIOUS PRESIDENTIAL RESIDENCE

Stunning view. Newly reformed chalet with elaborate wooden ceiling
4 reception rooms, 1 presidential suite
10 bedrooms with private bathrooms, 3 kitchens
Billiard-room, Swimming pool
Floodlight illuminated tennis court

9193m² gardens of which 3693m² construction ground for 1180m² apartments

Published by "Architectural Digest" in March 1994 under the category
"most beautiful houses in moutains"

Viewing by appointment, strictly private sale

Phone: office hours: +41 1 387 17 87 (for calls from Switzerland: 01 387 17 87)

Write to Box R 5038, Financial Times, One Southwark Bridge, London SE1 9HL

'Don't expect to make money in agriculture as a foreigner'

the other is a ruin with 120ha, enough land to afford privacy and the chance to rebuild.

Germaux cautions "don't expect to make money in agriculture as a foreigner unless you happen to have a cork oak forest", where 600ha are being Pta100m every eight or nine years (the cycle for de-barking cork oaks).

On the edge of Gaucin Cerro Herrera is a glorious

INTERNATIONAL PROPERTY

Spain & Portugal

ALREADY TIRED OF THE BRITISH WINTER

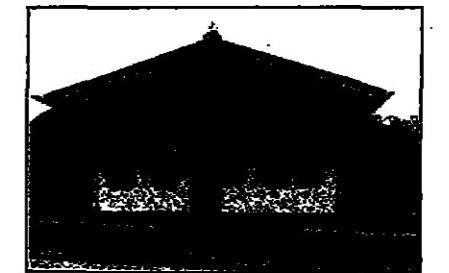
Make 1997 a year to remember by choosing your dream home, from our extensive range of Spanish & Portuguese Properties. Invest now and be safe in the knowledge that you are dealing with one of Europe's Premier Property Promoters & Developers.

New & Resale, Full after sales. Furnished Properties from £30k in Spain & £65k in Portugal.

DAVID HEADLAND ASSOCIATES International Property Consultants

CALL 01933 533333 FOR YOUR FREE BROCHURE

SALZBURG - AUSTRIA



Professionally revitalized 17th cent. wooden farmhouse, situated at Salzburg Lake District, only 5 miles from downtown Salzburg. Floor space 280m², cellar 140m², surrounding ground space (garden) 1500 m², superb interior equipment.

Sale price DEM 2.0 million.

Tel/Fax: (43) 6232 4661

BUYING ABROAD?

The spring overseas property exhibition at:

The Cumberland Hotel, Marble Arch, London W1.

Friday 7th, Saturday 8th, Sunday 9th February 1997

Friday 1200 - 1800 Sat/Sun 1030 - 1700

Over 50 top Agents and Developers from Spain, Portugal, France, Italy, Cyprus, Gibraltar, Florida & the USA - and more - will be displaying their properties.

FREE Admission THE INTERNATIONAL PROPERTY SHOW

SWITZERLAND

Lake Geneva Region, Montreux, Villars, Gruyère, Vals

Luxurious Apartments & Chalets direct from builder

Company domiciliation, and Swiss residency advice.

LENNARDS PROPERTIES INTERNATIONAL

Tel Swiss: Int 41 21 989 20 20 Fax: 41 21 964 70 44

Tel UK: Int 44 (0) 181 906 0515

+ +

MONTANA , USA

Scenic splendour, space, privacy, the Rockies, lakes, rivers, rolling hills, golf, hunting, riding, sailing, snowmobiling. Hideaway of the famous, now accessible a limited number of ranch parcels from 20 acres up to just \$25,000. Roads, power, telephone, 4000 ft above sea level.

A. K. TRADING, London

Offices: 0171-723 4599

The American Land Specialist

100 947 1834

FRENCH PROPERTY NEWS

Monthly old, new & ski properties, legal column etc.

Ask for your FREE copy now

Tel: 0181 947 1834

COUNTRY PROPERTY

HAYWARDS HEATH/LEWES

8 bedroom detached Edwardian house, recently decorated, 2½ acres with water feature, ample parking, large garden, paddock and outbuildings. Views to the South Downs.

Comprises 3 reception rooms, 5

bedrooms, bathroom, separate study and kitchen/breakfast room. Close to shopping, dining, leisure facilities.

Jones Carruthers

212-438-5185/87-0749 (USA)

ASHFORTH WARBURG

76m²med 2BR/2Baths

THE CARLYLE HOTEL

Luxury property with 10 bedrooms, 5 en-suites, 2 reception rooms, fully equipped kitchen/breakfast room, close to shopping, dining, leisure facilities.

John Carruthers

212-438-5185/87-0749 (USA)

ASHFORTH WARBURG

200m²med 5BR/5Baths

CLIFTON, BRISTOL. Small (8 rooms) listed Regency terrace house. Close to centre, over £200,000. Write Box R5038, Financial Times, One Southwark Bridge, London SE1 9HL.

EAST KENT

A former FARMHOUSE with 4 bedrooms, 2 reception rooms, including SELF-CONTAINED FARMERS

£245,500

Tel: (01304) 612147

FINN CHARTERED SURVEYORS

CHARTERED SURVEY

PROPERTY / OUTDOORS

If this weekend is like the last one, gardeners will be in heaven and the season will be running beside them. The clear, warm days reminded us why photographers eliminate most of the British winter and print pictures which make gardens look wonderful in January. The light frost and the warm sunlight brought out the bare, spare architecture and still left us with a Saturday and Sunday, when the ground was workable.

The first stirrings of a new season are already showing on irises, primroses and wild violets. They send me at once on a hunt for my hellebores, where I will soon be expecting buds and will need to take careful action. Hellebores are almost as fashionable nowadays as colour photographs of the winter garden seen through hoar frost. Unlike those photographs, they really do recur from year to year, whatever the weather, and we are now entering an era of apparent improvement and greater availability.

The new scope for hellebores was also evident last week at the first of the RHS shows in London. It is now 11 years since I first fastened on the remarkable talents and qualities of the management at Ashwood Nurseries, Greensforge, Kingswinford, West Midlands. It has expanded into winter-flowering wild cyclamen and hellebores, for which it won yet another gold medal from the RHS for a January exhibit. It outclassed everything else on show, though it did say modestly that the neighbouring exhibit of the Cyclamen Society, which it also outclassed, had perhaps been unable to call on the same facilities under sheltered glass.

Ashwood has only been experimenting and collecting hellebores for about five years, but its efforts refute those who believe that all modern breeders spoil the families on which they work and that the best varieties were those, now lost, which once struggled on in their own great-aunt's garden.

Ashwood showed another remarkable array of yellows, pure whites, pink shadings and spotted forms beneath two specimen Witch Hazels. It also included the small pink wild Tibetan Hellebore which the owner-director had acquired from Japanese sources and which had probably never been seen at a show or even in British nursery before.

The great point about the new garden hybrids is that they are excellent garden plants and are uncomplicated. They sell at the nursery from about £5 each upwards but are not supplied by post. Impatient gardeners will not regret a journey in the next six weeks or



In fashion: there is new scope for using the excellent hellebores

Garden Picture Library

Gardening Early dawning of a new season

Robin Lane Fox finds some top hellebores at the year's first show

so to see them at their best and buy mature plants. The rest should also consider sowing their selected seed which is usually despatched in July.

The nursery takes it, hand-pollinated, from their best specimens and lists it by individual colours and shades. It reminds us that their parents are now the result of complex breeding and the children are bound to vary.

These hellebores are certainly not as simple as mere hybrids of the oriental line, which is widely advertised elsewhere. The seedlings are marvellous performers. Fashions come and go but I have no reservations about the scope for early flowers in this family, developed in part from the old Lenten Rose, which is a very tough branch-line in the family.

I have lined two shaded borders with these plants and can vouch for three particular facts. Underneath, the soil soon becomes stony, even rocky. These hellebores are growing famously, even though I can hardly drive a spade into the ground. No doubt, they would be even better in conditions recommended by experts but here now available.

The expert books will tell you what hellebores of this category prefer. But do not

be deterred by instructions which seem demanding. Hellebores like to be shaded from the main heat of the sun between midday and tea-time. They do not like to dry out. They love to be dressed with leaf-mould or old mushroom compost. As the buds appear, cut off the old leaves from the previous season.

As edging plants in front of shaded borders or in patches under a wall in London, they are marvellous performers. Fashions come and go but I have no reservations about the scope for early flowers in this family, developed in part from the old Lenten Rose, which is a very tough branch-line in the family.

I have lined two shaded borders with these plants and can vouch for three particular facts. Underneath, the soil soon becomes stony, even rocky. These hellebores are growing famously, even though I can hardly drive a spade into the ground. No doubt, they would be even better in conditions recommended by experts but here now available.

I actually like the leaves of these hellebores as they

the reason is that I feed them with liquid manure on their leaves throughout the summer and autumn, applying it once a fortnight, as well as a dressing of leaf-mould in November.

The ultimate reason, however, is that I protect them throughout the winter from slugs. People who have scattered flowers on these plants or few flowers at all, are being victimised by their old, slimy enemies. The bugs tend to pass over the matter but slugs and snails have a passion for young hellebore shoots and buds, especially if rotted leaves have built up around them. When you raise or buy Ashwood hybrids, be sure to put down slug bait from December onwards.

After flowering, the leaves develop into dark green clumps, with black spotting which can be controlled by spraying with a diluted fungicide. Everybody likes to grumble that particular experts' favourite families of plants look a mess out of season or are more troublesome than they admit.

Now the sea trout fisheries have banded together to push the issue to a resolution. They are suing the minister for the marine, alleging failure to regulate the industry and failure to protect a wild resource, namely the sea trout; and a clutch of farms for the loss of their fishery.

This is an all the judge is dead. He would not care to fish Tawnyard today, nor Delphi, nor Fermoy, nor Glenmurrin, nor his beloved Shanawone. For the trout, the gallant, silver sea trout, have gone; and no one knows if they will ever return.

The tale is simply told. Towards the end of the 1980s the runs of sea trout suddenly and dramatically diminished. This coincided with the development of salmon farms, situated in the bays into which the sea trout rivers debouched.

It is virtually certain that the destruction of the sea trout resulted from the use of chemicals to rid salmon of sea lice. Crudely put, the chemicals cause the lice, in their millions, to abandon the salmon. They then fasten on the shoals of sea trout and eat them alive.

Such are the thoroughly nasty ways of Nature when Man upsets a fine balance. True, the salmon farms have brought some jobs to remote areas where they are sorely needed. The other side of the coin is that the sea trout fisheries, with their lodges, their ghillies - small, vital units of employment - have been seen their business rot with their fish.

If there is a long-term future, it must lie in moving the farms away from the sea trout feeding grounds; away, that is, from the bays where they are protected from the Atlantic storms. But even if the technology existed to farm salmon out at sea, the cash to fund it does not.

So, either way, it is a sad story: a parable for our times.

Fishing

Salmon farms louse it up

Tom Fort describes a simple tale of destruction in Ireland

There are many places which we wandering fishermen cherish, but among them are a few which are special. It may be because of some great slaughter we did, although triumph in fish-catching is far from essential.

More likely, it was some subtle coming together of elements which achieved a complex harmony, impossible to achieve by design, half-understood, unforgettable.

Loss, of course, can enhance the power of the memory. Should the place become inaccessible to us, or any of the constituent elements be obliterated, the yearning for that which can be no more nourishes the magic. Sadness intensifies the savour.

So it is with me, and a multitude of others, with the west of Ireland: Connemara, that clenched fist of wild land pushed out into the wild Atlantic.

It is a decade or more since I was there, yet a moment of reflection brings it back as if it were yesterday.

What were the elements? There was the landscape, the empty, barren bogland, the whitewashed cottages, peat smoke rising from chimneys, the narrow, hedgeless roads winding across great spaces, the misty blue of the mountains, the Twelve Pines.

There was the water, the wonderful abundance of little rivers, and lochs great and small. There was the air, soft and clean, blown from the sea. There was the warmth in the welcome of the people, and in the friendship among us. And there was the fish, the compelling

reason for being there. The fish was the sea trout, or the white trout, as the Irish call it. It is nothing more than a brown trout which, obeying an instinct in its genes, migrates from the acidic, nutritionally impoverished lochs down to the sea. In salt water it grazes along the shore, growing fat and silver, before it follows the call of its home water and heads up river.

Connemara might have been made for the sea trout. All the way round are strings of river and loch, reaching up into the spongy land and its fishing.

It is an all the judge is dead. He would not care to fish Tawnyard today, nor Delphi, nor Fermoy, nor Glenmurrin, nor his beloved Shanawone. For the trout, the gallant, silver sea trout, have gone; and no one knows if they will ever return.

The tale is simply told. Towards the end of the 1980s the runs of sea trout suddenly and dramatically diminished. This coincided with the development of salmon farms, situated in the bays into which the sea trout rivers debouched.

It is virtually certain that the destruction of the sea trout resulted from the use of chemicals to rid salmon of sea lice. Crudely put, the chemicals cause the lice, in their millions, to abandon the salmon. They then fasten on the shoals of sea trout and eat them alive.

Such are the thoroughly nasty ways of Nature when Man upsets a fine balance. True, the salmon farms have brought some jobs to remote areas where they are sorely needed.

The other side of the coin is that the sea trout fisheries, with their lodges, their ghillies - small, vital units of employment - have been seen their business rot with their fish.

Not that they have been



interior. Come July and the sea trout would be running. And to those famous fisheries of the west the sea trout fishers would hurry. The music of those names is with me still: Screeba, Ballynahinch, Kylemore, Fermeole, Gowla, Delphi and the rest.

Always there were the tales of the great days, of

two dozen and more good trout in a day. As is the way, the great days belonged mostly to the distant past, and exclusively to others. Our own successes were few, and modest in the extreme.

I remember some nice fish from Ballynahinch, in the shadow of the gloomy man-

inactive. A clamorous campaign of protest has been waged. Compelling scientific evidence of the chain of circumstance has been gathered. There have been forums, seminars, public meetings - and nothing has changed. The farms have continued administering the chemicals. The Irish government has sat quietly by.

Now the sea trout fisheries

have banded together to push the issue to a resolution. They are suing the minister for the marine, alleging failure to regulate the industry and failure to protect a wild resource, namely the sea trout; and a clutch of farms for the loss of their fishery.

In a separate action, a single company operating in Killary Harbour - into which the famous fishery at Delphi empties - is being sued for allegedly grossly exceeding its licensed output.

This second action comes to the High Court in Dublin this month. The ruling will influence the progress of the main action, due in the summer or autumn. The fishery owners acknowledge that, should they win the salmon farms will be in a well-nigh impossible situation. They must close for sea lice, or go bust. The lice must find other food, or perish.

If there is a long-term

future, it must lie in moving the farms away from the sea trout feeding grounds; away, that is, from the bays where they are protected from the Atlantic storms. But even if the technology existed to farm salmon out at sea, the cash to fund it does not.

So, either way, it is a sad story: a parable for our times.

On the Move

Farmers face up to revaluation

A currency shift may hit profits, says Gerald Cadogan

British farmers and farm buyers may not make as much money this year as they did in 1996, after the recent 5.4 per cent revaluation of the "green pound" (used for European Union support payments) to 76.89p per Ecu as against the 83.3p in effect from July 1996. This partly reverses the boost to farming profits that followed the September 1992 devaluation of the pound.

The Ministry of Agriculture, Fisheries and Food can, however, request a green rate freeze at the 1996 levels for two years or more, says Jim Ward, head of agricultural research at Savills, "and almost

parliamentary troops from Berkeley Group, Beaconsfield and a royalist garrison holding the then rectory and churchyard. Musket balls have been found in the garden.

The house is a typical, and attractive, early 19th century box. It still has the stables and wine cellar that the rector needed, as well as an extra reception room (the study).

A bonus for the buyer is an exemption from stamp duty, under the Ecclesiastical Residences Act 1776, as it is passing from church to private domain. The diocese of Gloucester is the vendor. The concession does not apply to subsequent sales.

For Slimbridge history, natural and human, and the chance to live by a 12th century church with a grand spire, the guide price is £235,000, through Jackson-Stops (01285 653334).

Still in Gloucestershire, South Manor Cottage in Little Rissington is a typical Cotswold dwelling, with a pointed roof of Stonesfield (ie Cotswold stone) slates with several gables. Late 17th century and listed grade II, it is the biggest part of the manor house in the village between Burford and Stow-on-the-Wold.

Still in Gloucestershire,

Beaufort Homes' new

development in Imperial

Square, Cheltenham, is

selling well off-plan. Part of

the site is a

square Italian marble

fountain that Napoleon

took in the capture of

Genua. During the fight,

the swan's neck was shot

off by a musket ball - and

later replaced by a

Napoleonic imperial eagle.

(The fountain has been in a

Cheltenham museum.)

The development is called

Imperial Apartments and

prices range from £165,000

to £350,000 for the largest

penthouse, through Knight

Frank (01285 730077).

South Manor Cottage in Little Rissington is a typical Cotswold dwelling, with a pointed roof of Stonesfield (ie Cotswold stone) slates with several gables. Late 17th century and listed grade II, it is the biggest part of the manor house in the village between Burford and Stow-on-the-Wold.

Still in Gloucestershire,

Beaufort Homes' new

development in Imperial

Square, Cheltenham, is

selling well off-plan. Part of

the site is a

square Italian marble

fountain that Napoleon

took in the capture of

Genua. During the fight,

the swan's neck was shot

off by a musket ball - and

later replaced by a

Napoleonic imperial eagle.

(The fountain has been in a

Cheltenham museum.)

The development is called

Imperial Apartments and

prices range from £165,000

to £350,000 for the largest

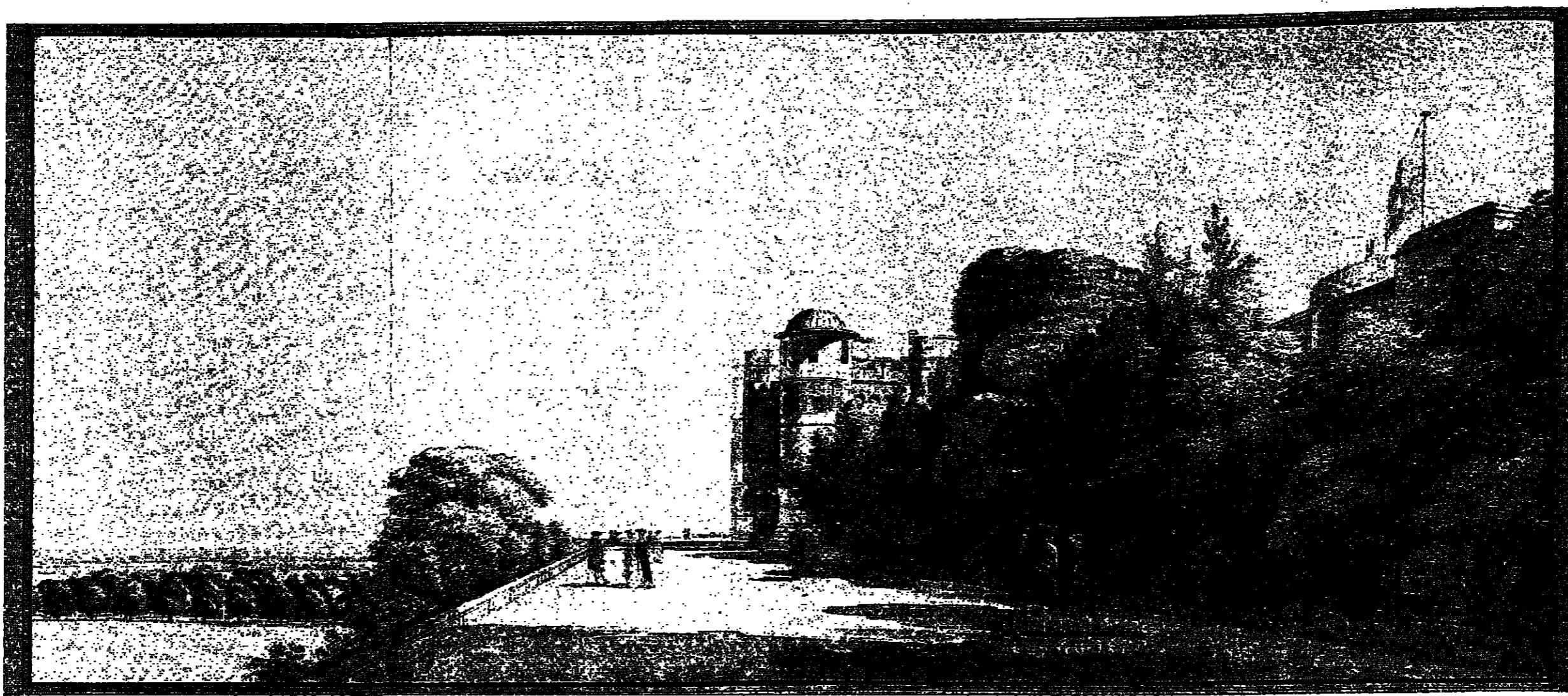
penthouse, through Knight

Frank (01285 730077).

South Manor Cottage in Little Rissington is a typical Cotswold dwelling, with a pointed roof of Stonesfield (ie Cotswold stone) slates with several gables. Late 17th century and listed grade II, it is the biggest part of the manor house in the village between Burford and Stow-on-the-Wold.

Still

COLLECTING



A view of Windsor, by Paul Sandby: the picture will be on the Spink stand at The World of Watercolours this weekend

Stop-go-stop going slowly but surely

Green shoots is not a nasty disease that attacks old furniture but what the antiques trade claims to be spotting across the land. For antique dealers the recession went on and on. Every time trade seemed to pick up demand suddenly melted away. But, at last, this stop-go-stop, which has depressed the business for seven years, seems to be coming to an end.

Phillips and Bonhams, the auction houses which specialise in the middle and lower price range, both reported 16 per cent increases in turnover last year, and although few dealers, who have grown accustomed to playing second violin to the auction houses in the quantity of antiques sold, will have matched this growth, the general atmosphere is more buoyant. Any object of good quality, sound provenance, preferably useful and, ideally, decorative is fetching more now than a year ago.

However, the revival might be too late for some dealers, and not just those at the bottom end of the market. The top dealers, trading in expensive paintings, are

experiencing a big shake-up. A combination of European Union regulations, and changes in the property market, on top of slack demand, is threatening Bond Street's eminence as the epicentre of the London art world.

The Brussels challenge concerns tax. London's traditional dominance – it accounts for 70 per cent of the European art trade – owes everything to its freedom from restrictions, mainly financial. EU harmonisation policy has brought in VAT on art sales. Initially the UK government managed to limit the VAT to 2.5 per cent and the trade hoped that would be that.

But by 1999 the rate is set to rise to 5 per cent and many dealers fear steadily steeper levels. The government seems to have lost the argument with Brussels that higher taxes drives the art market away from Europe as a whole and towards the US. In addition the EU is also keen to harmonise *droit de suite*, a royal right for artists' heirs, which would introduce to the UK an extra charge of between 2 per

cent and 4 per cent on most 20th century pictures. This could also arrive by 1999.

It is not so much the added costs but the paperwork that the taxes bring with them, with a raft of exceptions and a flood of bureaucracy. It is these administrative headaches which has led the UK's leading oriental art dealer, Giuseppe Eskenazi, to consider switching operations to New York; he is holding his first exhibition there next month, alongside the Asian Art Fair, to test the water.

But it is the leading picture dealers who are under most pressure to leave. As with Eskenazi few of their clients are British: London was regarded as the ideal entrepot for their business. So Pace Wildenstein, one of the biggest dealers in the world, is planning to quit London for New York, while Dutch and Flemish specialist Johnny van Haefen is threatening to retire early, because of all the extra paper work.

It is not just Brussels that is causing change. The world's top

Fairs have become vitally important to most dealers during the recession

retailers are desperate for outlets in Bond Street, and selling out to a clothes shop is very tempting for a picture gallery with a Bond Street frontage which pulls in just a handful of new clients a year.

Colnaghi has already decided to switch its operations to the

This flurry at the top has passed by most dealers. Their hopes are concentrated on making a profit in 1997, and their optimism is rising on the back of the reviving housing market and all those building society handouts.

The first important event of the year, last month's Art '97, London's market place for contemporary art, was a great success, attracting 40,000 visitors, a dramatic rise over the 30,000 in 1996, with art worth well over £2m finding new homes. This fair is cashing in on and expanding the popularity of contemporary art as fashion statement.

This weekend a very different type of art lover will be coming to town. The World of Watercolours (and Drawings) summons from the shires the mainly middle-aged, and the predominantly middle class, who maintain the traditional British love of watercolours.

The 10,000 or so addicts must remember to go to a new venue; for the first time in its 12-year history the fair finds itself in the

no commercial use for the grandiose former banking hall of its Lothbury HQ and is turning it into an art gallery.

The Lothbury Gallery covers 7,000 sq ft and will become an important new art venue. The first show is works of art from the NatWest collection, which comprises more than 1,500 mainly contemporary works, but the curator, Rosemary Harris, who comes from the Tate, is scheduling a programme by both leading British and foreign artists.

Admission is free.

It is surprising that the antique market has been so slow to improve. There has been a considerable increase in disposable incomes. Perhaps it is because the new collectors are more interested in contemporary art – toys, pop and film memorabilia, sports paraphernalia – and in buying the one or two antiques to furnish their homes.

It is all a question of confidence. Everyone is aware that most antiques, particularly paintings, like houses, suffered a slump in value in the early 1990s. Buyers are now selective. But in 1997 their passion for the best will overcome their caution.

Yale leaps into the modern era

A Damien Hirst installation is set to shake up Connecticut, finds Michael Carlsen

Patrick McCaughey has been director of the Yale Center for British Art in New Haven, Connecticut, for almost a year, yet he still finds it hard to contain his enthusiasm as he guides an interviewer around the galleries.

He enters the Turner room, praising the building designed for Paul Mellon by Louis Kahn. "I love the double cube of these rooms, classic Palladian influence. The way other rooms are framed across the way. And it's all natural light."

McCaughey, London-born, Australian-bred, runs what he describes as "outside the Tate, the world's foremost collection of British art". This month, marking the

collection's 20th anniversary, he takes that collection in new directions, unveiling his first important acquisition, Damien Hirst's "In & Out Of Love".

The piece is a multi-part installation from 1991 and consists of eight paintings adorned with butterflies, four boxes, a table and four butt-filled ashtrays.

One senses that McCaughey might welcome controversy. He previously ran Wadsworth Atheneum in Hartford, Connecticut, where he staged the famous Mapplethorpe show which was subsequently banned in Cincinnati.

"Our province has traditionally been from the birth of Hogarth to the death of Turner, but I'm determined

to show that British art doesn't come to a deadening halt in the 19th century," McCaughey says.

"The British 20th century is very neglected – currently it's far livelier than the American."

The Yale Center was founded 20 years ago when Paul Mellon, from the Yale class of 1929, donated his collection and established an endowment to house and expand it.

The collection reflects Mellon's skill as a collector, and his own interests, particularly in the gallery's sporting art. "We have the finest collection of Stubbs in the world, which Paul Mellon began collecting as a graduate student at Clare College, Cambridge, when Stubbs

was deeply unfashionable," McCaughey explains.

"Mellon's collecting has always followed his own interests. Clare was boring him, so he took his horses to Britain, and thus discovered Stubbs. In the 1940s he became interested in Jung, and at the same time began collecting Blake, the great chronicler of our interior myths. Our Blake collection is immense."

Other specialities include the Camden Town group. But McCaughey is keen to take the Yale forward. "You can imagine my trepidation at suggesting to a lover of sporting art that we buy a major piece by an artist who's notorious for cutting up dead animals," he says.

"But I said, it's time we

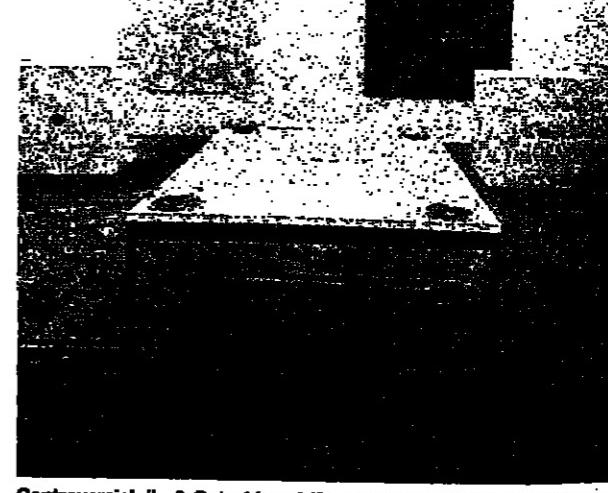
drive a stake into the ground, and Paul Mellon looked at the slide and said it reminded him of Ben Nicolson, and he liked it. In the end, we bought eight works by Alfred Munnings, who's known as the Sargent of Horses, and the Hirst."

McCaughey does, however, face one considerable problem. After this anniversary year the Yale will close for 1998 to repair a leaky roof. In the meantime, preparation for a William Blake show in April and plans for a travelling exhibition are keeping McCaughey busy.

At first glance, New Haven may seem an odd place for a leading collection of British art. In the 17th century the colonial city sheltered England's recalcitrant judges. Later, it became a thriving cultural centre, with Broadway previews and first-run theatre. Now it is a decaying rust-belt city, with the opulence of Yale University at its centre.

"Yale is determined to become more involved with reviving the city," McCaughey says, "and the museums are the front of the house."

He points out of his office window to the University Art Gallery, where there is an Eakins show. "This is a city of 130,000. We are showing the British treasures from the Hermitage Museum, directly across Chapel Street is Eakins, and both are free. How many major cities in the world could say the same?"



Controversial: 'In & Out of Love' (Butterfly Paintings and Ashtrays)

World of Drawings and Watercolours

The only fair for original works of art on paper from the 16th century to the present day

The Dorchester
Park Lane, London

29 January-2 February 1997

11am-8pm (7pm last two days). Admission £7.00
Lady Victoria Lenthorn will officially open the Fair
at 12 noon on Wednesday 29th January

Information: 0171-411 3166 (during Fair 0171-629 8858)
Website: <http://www.desiderata.com/Watercolours97>

HRH THE PRINCE OF WALES LITHOGRAPHS

Limited editions of signed
Lithographs based on his
watercolours.

Titles include Windsor Castle,
Sandringham, Balmoral, and
Hong Kong from HMV Britania.

Sales benefit The Prince of
Wales's Charities Trust.

Hong Kong from HMV Britania
©A.G. Carrick Ltd Edition 100
Tel: 0181 953 1307
Fax: 0181 207 4989 for brochure

RICHARD GREEN

Model and critic. Signed. Watercolour. 15 x 21 1/4 in / 38.1 x 55.3 cm

Exhibition of Watercolours and Drawings by Sir William Russell Flint 1880-1969

Exhibition opens on Wednesday, 12th February 1997
Fully illustrated catalogue £15 including postage
39 Dover Street, London W1X 3RB
Telephone: 0171-493 3939. Fax: 0171-495 3318

GRAYS ANTIQUE MARKET

With the best moving stock of more than 200 professional dealers Grays has been described as "the best antique market in the world".

Grays occupies two air-conditioned and splendid Victorian buildings, sitting back to back, opposite Bond Street tube.

SOUTH MOLTON LANE LONDON W1Y 2LP
Tel 0171 629 7034 Fax 0171 493 9344 Mon-Fri 10-6

Crawther OLYSTON LODGE

WE WISH TO PURCHASE
Fine Antique Crimperpieces
Period Bedding, Statues
and Garden Ornament

Crawther Olyston Lodge, Busch Cooper
London Road, Isleworth, Middlesex TW7 5HU, England
Tel 0181-560 7378 Fax 0181-568 7572

INTERNATIONAL ARTS GUIDE

What's on in the principal cities**AMSTERDAM****CONCERT**

Congregebouw Tel: 31-20-6718345
• Koninklijk Concertgebouw: with conductor Riccardo Chailly and cellist, Godfried Hoogeveen perform works by Bartók and Bruckner; 8.15pm; Feb 6, 7

EXHIBITION

Rijksmuseum Tel: 31-20-6732121
• Reflections on the Everyday - Dutch Genre Prints from the 16th and 17th century: in the late 15th century, woodcut artists and engravers began portraying scenes of everyday life in prints. Amorous couples, farmers on their way to market, groups of musicians: scenes such as these were especially popular in the 17th century. This exhibition provides a survey of the genre prints with works by van Leyden, Rembrandt and van Ostade accompanied by lesser known prints by their contemporaries; from Feb 8 to May 4



Conductor Danièle Gatti is performing in Rome

Bill Cooper

ATHENS**CONCERT**

Athenes Concert Hall Tel: 30-1-7282333
• Orchestra del Maggio Musicale Fiorentino: with conductor Zubin Mehta perform works by Schubert and Stravinsky. Part of the Schubert-cycle; 8.30pm; Feb 4, 5

BADEN-BADEN**EXHIBITION**

Städtische Kunsthalle Tel: 49-7221-23250
• Cindy Sherman: retrospective exhibition of work by the American photographer, including four of her best known series: "Film Stills" (1977-80), "Disguise Pictures" (1986-89), "Sex Pictures" (1982) and "Horror Pictures" (1995); to Mar 23

BERLIN**CONCERT**

Konzerthaus Berlin Tel: 49-30-2054438
• Euridice: by Peri. Conducted by René Jacobs, performed by the Staatskapelle Berlin. Soloists include Victor Tomes, Monica Bacelli and Bernhard Fink; 7pm; Feb 4, 5

EXHIBITION

Alte Nationalgalerie Tel: 49-30-209050
• Adolf Menzel (1815-1905): Between Romanticism and Impressionism: this retrospective exhibition comprises about 130 paintings, drawings, pastels and watercolours by Adolf Menzel, one of the leading German artists in the second half of the 19th-century. In addition to many of Menzel's acknowledged masterpieces the exhibition includes sketches and drawings depicting bourgeois life in Berlin, Menzel's family circle and landscapes in and around the Prussian capital; from Feb 7 to May 11

Berlinsches Galerie - Martin-Gropius-Bau Tel:

49-30-254880
• Edward Kienholz: A Retrospective: exhibition tracing the works of Edward and Nancy Reddin Kienholz over the past 40 years. The couple's work embraced aspects of Pop Art and Surrealism, influences apparent in their installation work shown here; from Feb 7 to Mar 31

OPERA

Deutsche Oper Berlin Tel: 49-30-3438401
• Susannah: by Floyd. Conducted by Marie-Jeanne Dufour, performed by the Deutsche Oper Berlin. Soloists include Karen Armstrong and Dean Peterson; 6pm; Feb 8

BRUSSELS**CONCERT**

Palais des Beaux-Arts Tel: 32-2-5078200 (Concerts)
• Pieter Wispelwey: the cellist performs works by Bach; 8pm; Feb 5, 7.

OPERA

Théâtre Royal de la Monnaie Tel: 32-2-2291200
• Tristan und Isolde: by Wagner. Conducted by Antonio Pappano, performed by La Monnaie. Soloists include Ronald Hamilton, Anne Evans and Tom Fox; 6.30pm; Feb 4, 8

COLOGNE**EXHIBITION**

The Manil Collection Tel: 1-713-525-9400
• The Nightingale: by Stravinsky. Conducted by Johannes Stort, performed by the Oper Köln. Soloists include Natalie Karl, Mariola Mainka, Machiko Obata and Daniel Toulon; 3pm; Feb 4, 8

DUBLIN**CONCERT**

National Concert Hall Tel: 353-1-6711888
• National Symphony Orchestra of Ireland: with conductor Takuo Yuasa and organ-player Fergal Caulfield perform works by Schubert, Dupré and Dvorák; 8pm; Feb 7

EXHIBITION

World of Drawings and Watercolours Tel: 31-2-5078200 (Concerts)
• Pieter Wispelwey: the cellist performs works by Bach; 8pm; Feb 5, 7.

OPERA

Opéra Royal de la Monnaie Tel: 32-2-2291200
• Tristan und Isolde: by Wagner. Conducted by Antonio Pappano, performed by La Monnaie. Soloists include Ronald Hamilton, Anne Evans and Tom Fox; 6.30pm; Feb 4, 8

HANOVER**EXHIBITION**

Sprengel Museum Tel: 49-511-1683875
• Marc Chagall: "Himmel und Erde": exhibition of the artist's work selected from the museum's own collection, featuring 160 etchings, as well as paintings and lithographs; to Feb 16

HOUSTON**EXHIBITION**

The Menil Collection Tel: 1-713-525-9400
• Mark Rothko: The Chapel Commission: exhibition marking the 25th anniversary of the commissioning of the Rothko Chapel, a unique assignment that allowed the abstract artist to explore potential interactivity between painting, architecture and natural light; to Mar 30

OPERAS

Wortham Theatre Tel: 1-713-237-1439
• Salomé: by R. Strauss. Conducted by Christopher Eschenbach, performed by the Houston Grand Opera. Soloists include Hildegard Behrens, Neil Rosenshain, Katherine Ciesinski and Richard Paul Fink; 7.30pm; Feb 7

EXHIBITION

World of Drawings and Watercolours Tel: 31-2-5078200 (Concerts)
• Pieter Wispelwey: the cellist performs works by Bach; 8pm; Feb 5, 7.

LYON**EXHIBITION**

Musée des Beaux-Arts Tel: 33-4-72 10 17 40
• Kees van Dongen, l'œuvre sur papier (1895-1914): this exhibition, the first devoted specifically to Van Dongen's works on paper, features 90 drawings, gouaches and watercolours, as well as over a dozen of Van Dongen's paintings and 25 works by friends and contemporaries of the artist, including Steinlen, Signac, Picasso, Derain, Toulouse-Lautrec, Marquet, Matisse and others; to Apr 6

OPERAS

Opéra de Lyon Tel: 33-72 00 45 00
• Werther: by Massenet. Conducted by Kent Nagano, performed by the Orchestre de l'Opéra de Lyon and the Maîtrise de l'Opéra de Lyon. Soloists include Lorraine Hunt, Gérard Théral and Marc Duguay; 8.30pm; Feb 2 (5pm), 4, 6 (8pm)

Metropolitan Opera House Tel: 1-212-362-6000
• Le Nozze di Figaro: by Mozart. Conducted by Leopold Hager, performed by the Metropolitan Opera. Soloists include Kiri Te Kanawa, Barbara Bonney and Jane Bunnett; 1.30pm; Feb 4, 6 (8pm)

MADRID**CONCERT**

Auditorio Nacional de Música Tel: 34-1-3370100
• Orquesta Nacional de España: with conductor Günther Herbig and violinist Jesús Angel Léon perform works by Beethoven, Mozart and Schumann; 7.30pm; Feb 7

EXHIBITION

Fundación la Caixa Tel: 34-1-4354833
• Amelia Peláez, Frida Kahlo, Tarsila do Amaral: exhibition showing the history of Modernism and the roots of contemporary art in South America through the work of three female artists: Amelia Peláez, Frida Kahlo and Tarsila do Amaral. On display are about 100 works, establishing similarities and differences between these artists, the contact they had with European movements, the influence of Paris and the US in their work, and their attempts to discover the roots of their countries; from Feb 7 to Apr 27

MANCHESTER**CONCERT**

The Bridgewater Hall Tel: 44-161-950000
• Borodin Quartet: perform works by Shostakovich and Schubert; 8pm; Feb 7

THEATRE DES CHAMPS-ÉLYSÉES

Théâtre des Champs-Élysées Tel: 33-1-49 52 50 52
• Jean-Pierre Rampal, Claudio Arrau and John-Steele Ritter: the flutist and pianist/harpsichordist perform works by Telemann, Mozart, Kuhlau and Verdi; 11am; Feb 2

Théâtre du Châtelet Tel: 33-1-49 33 00 00
• Orchestre de Paris: with conductor Pierre Boulez, pianist Oleg Maisenberg and violinist Pierre Amoyal perform works by Stravinsky and Berg; 8pm; Feb 8

MILAN**CONCERT**

Palazzo delle Esposizioni Tel: 39-6-4742216
• Cecilia Bartoli: the mezzo-soprano performs works by Vivaldi, Pergolesi, Rossini, Donizetti and Bellini; 7.30pm; Feb 4

THEATRE ALA SCALA DI MILANO

Teatro alla Scala di Milano Tel: 39-2-887391
• Barbara Hendricks: the soprano performs works by Schubert, Faure and Bizet; 8pm; Feb 3

MUNICH**EXHIBITION**

Haus der Kunst Tel: 49-89-211270
• Afrikanische Masken aus der Sammlung Barberl-Müller: display of over 100 African masks selected from the collection of Josef Müller and Jean Paul Barberl; from Feb 7 to Apr 27

• Tizian in der Moderne - Von Matisse bis Schlemmer: exhibition focusing on dance as a source of inspiration in the visual arts at the beginning of the 20th century. Featured are some 150 works by 37 artists, including Matisse, Kandinsky, Severini, Sonia Delaunay, Archipenko and Ven Doesburg; from Feb 7 to Apr 27

• The Art of Etching: an exploration of the art of etching through works from the Courtauld Gallery's permanent collection, including pieces by Tiepolo, Piranesi and Canaletto; from Feb 5 to May 25

OPERA

Royal Opera House - Covent Garden Tel: 44-171-2129234
• Lothringen: by Wagner. Conducted by Valery Gergiev, performed by the Royal Opera. Soloists include Karita Mattila, Gwyneth Jones and Sergei Leiferkus; 6pm; Feb 8

LONDON**EXHIBITION**

Courtauld Institute Galleries Tel: 44-171-8732526
• The Art of Etching: an exploration of the art of etching through works from the Courtauld Gallery's permanent collection, including pieces by Tiepolo, Piranesi and Canaletto; from Feb 5 to May 25

OPERA

Wigmore Hall Tel: 44-171-8352141
• Emma Kirby and Anthony Rooley: the soprano and the lutenist perform works by Dowland and Holborne; 6pm; Feb 5

EXHIBITION

Courtauld Institute Galleries Tel: 44-171-8732526
• The Art of Etching: an exploration of the art of etching through works from the Courtauld Gallery's permanent collection, including pieces by Tiepolo, Piranesi and Canaletto; from Feb 5 to May 25

OPERA

City Hall Tel: 44-171-3283573
• Ensemble Contrechamps: with conductor Armin Jordan and pianist Martha Argerich perform works by Weber, Schönberg and Prokofiev; 8.30pm; Feb 5 (7pm), 6, 7

POP-MUSIC

Geneva Arena Tel: 41-22-312511/12/13
• Sting: performance by the English rock singer; 8.30pm; Feb 6

HANOVER**EXHIBITION**

Gardens Tel: 1-818-405-2100
• Masterpieces in Little: Portrait Miniatures from the Collection of Her Majesty Queen Elizabeth II: this travelling exhibition from the British Royal Collection features 75 miniature portraits, many of which have never been on public display. Spanning four centuries, the collection is particularly rich in examples by artists recognised as masters of the medium: Hans Holbein the Younger, Nicholas Hilliard, Isaac Oliver and Jeremiah Meyer. Shaped by the individual preferences of members of the royal family, the collection is especially valuable from both a cultural and historical standpoint: documenting marriages, court favourites and notable events. Included are likenesses of Henry VIII, Elizabeth I, Mary Queen of Scots, George III and Victoria the Princess Royal (later Queen Victoria); from Feb 2 to Apr 13

The J. Paul Getty Museum Tel: 1-310-459-7611
• Manuscript Illumination of the 13th Century: this exhibition of 19 works from the museum's collection of European illuminated manuscripts explores the art of painting in books in the 13th century. Many artists from this period achieved dramatic new effects with the combination of reflective gold and saturated, jewel-like colour. A newly acquired set of canon tables by the Armenian artist Toros Roslin illustrates the richness of this technique. The exhibition also features manuscripts from Byzantium, England, Flanders, France, Germany and Italy; to Apr 6

LYON**EXHIBITION**

Musée des Beaux-Arts Tel: 33-4-72 10 17 40
• Kees van Dongen, l'œuvre sur papier (1895-1914): this exhibition, the first devoted specifically to Van Dongen's works on paper, features 90 drawings, gouaches and watercolours, as well as over a dozen of Van Dongen's paintings and 25 works by friends and contemporaries of the artist, including Steinlen, Signac, Picasso, Derain, Toulouse-Lautrec, Marquet, Matisse and others; to Apr 6

OPERAS

Opéra de Lyon Tel: 33-72 00 45 00
• Werther: by Massenet. Conducted by Kent Nagano, performed by the Orchestre de l'Opéra de Lyon and the Maîtrise de l'Opéra de Lyon. Soloists include Lorraine Hunt, Gérard Théral and Marc Duguay; 8.30pm; Feb 5 to May 2

LYON**EXHIBITION**

Solomon R. Guggenheim Museum Tel: 1-212-423-3600
• A Century of Sculpture: The Nasher Collection: masterpieces of 19th and 20th century sculpture drawn from the collection formed by Patsy and Raymond Nasher are on view in this exhibition, providing a survey of the last 125 years of the medium. The collection ranges from the pioneering work of Paul Gauguin, Auguste Rodin and Medardo Rosso in the late 19th century to contemporary works by Magdalena Abakanowicz, Tony Cragg and Claes Oldenburg; from Feb 6 to Apr 7

I was dining with a voluptuous, sable-clad companion at Monsieur Neanderthal the other night when Gordon Brown sidled up, smirked, sat down - and sent our spirits sagging as only he can.

I was puzzled, for Monsieur Neanderthal is the coolest of the in-places in Nothing Hill, London's hippest neighbourhood. So cool is Monsieur Neanderthal that people such as Brown never normally penetrate its mythical interior. If they do, they are gathered up abruptly from the street, to the wry amusement of those of us - major party boys and girls - who are supposed to be on the inside, looking out.

Yet here he was, Gordon Brown, Mr Lugubriousness. At my table. Smirking at my sable-clad companion. "Gordon," I said sharply. "How did you get in? Do you know where you are?"

For those who live their lives

True Fiction Tax-cutting talks with the Ticktocks

Think big, tax fat, then think thin and tax slimming products, advises Michael Thompson-Noel

Thousands of miles from Britain's turbulent shores, I should explain that Gordon Brown is not an unimportant person. He will be Britain's next Chancellor of the Exchequer (Finance Minister). Soon, the British electorate, despite its negative IQ, will vote out the right-of-centre Conservative government that has ruled and abused it for many an eon and install, in its place, a left-of-centre "New" Labour government led by the youthful ravishing Tony Blair. At which point Blair's bosom friend, Brown, will assume charge of Britain's economy, and will face the challenge that bedevils all western

governments: how to raise the tax take while pretending to lower it. Blair is said to be obsessed with the idea that a New Labour government should not increase tax rates, especially personal tax rates. And we all know what that means. It means years of fudge and bludge: giving with one hand and taking with the other; statistical legerdemain; verbal trickery.

Brown flapped a hand. "How did I get in?" No prob, actually. My minders explained to the bouncers that I was Britain's Chancellor-in-waiting and that I wanted to talk to you. It was as easy as pie." Brown's sinister minders, who are also his advisers, are known as the

Ticktocks. They accompany him everywhere. Bad charcoal suits. Herbie Frog ties. Rubber shoes. Laptops. Palmtops. Really bad news.

"The reason I want to talk to you," Brown continued, "is that I hear you've thought of a wheeze for increasing the tax take while appearing to lower it. If you tell me about this wheeze, I'll cut you in. You can have 3 per cent of the amount by which your idea increases the tax take while appearing to lower it."

"OK," I said. "Three per cent it is, though my wheeze is transparent. It does not involve subterfuge but it does require chutzpah. Think big, Gordon. Think fat. Fat will be your

salvation. First, you'll have to start taxing food heavily, especially fat-inducing foods. Obesity is harmful. Nobody likes obesity. That's your excuse. However, at the same time you'll also impose a special tax on all slimming products. Slimming is big business. Sales are enormous. But slimming can be harmful. You'll have to make that clear."

"If we believe the Body Image Task Force, a fat-acceptance group in California, dieting can lead to anxiety, depression, lethargy, lowered self-esteem, decreased attention span, weakness, high blood pressure, hair loss, gall bladder disease, gallstones, heart disease, ulcers,

constipation, anaemia, dry skin, skin rashes, dizziness, reduced sex drive, menstrual irregularities, amenorrhoea, gout, infertility, kidney stones, numbness in the legs, weight gain, compulsive eating, anorexia nervosa, bulimia, reduced resistance to infection, lowered exercise tolerance, electrolyte imbalance, bone loss, osteoporosis, death.

"Naturally, this will give you great scope for lowering other taxes. And you will reap the diff. I reckon that the difference between what you'd gain by taxing fatness and thinness and what you'd give away by lowering other tax rates could be - don't quote me - £7bn to £10bn."

Gordon Brown said: "Michael, you're amazing." But then he blundered. In his excitement he snatched up a menu. He thought he was joining us. Quick as you like a 7ft bouncer gathered him up and threw him into the street. The Ticktocks swiftly followed. People who gatecrash Monsieur Neanderthal walk a gossamer tightrope.

Metropolis

A menu of cohesion and disparity in Chinatown

The changing character of Chinese enclaves in big cities has a historical perspective, says Robert Thomson

When Roman Polanski made a film about a private detective entangled in corruption and intimidation, he shrouded the scenario in shadows and menace by calling it *Chinatown*, although the Chinese content was barely more than a bit-part.

It is part of the image of Chinatown that behind passive faces and the cardboard boxes of sugar cane, persimmon, peppers and cabbage that there is a culture of extreme violence. That, at least, is the appeal to a film director in search of a catchy title and another layer of implied intrigue.

So for some Chinese, the word Chinatown has the air of insult. It carries echoes of the derogatory word "Chinaman" and reminds them of the prejudices and the attacks which had encouraged ethnic Chinese to gather together for security near the centres of a metropolis. And that was before the US passed the Chinese Exclusion Act in 1882, when Chinese were considered a serious threat to "our peace and welfare".

The ornamental arch in London's Gerrard Street is inscribed with the characters *nüqiu*, probably best translated as Chinatown. But even if the name is not a problem with the majority of the inhabitants, the personality of the place itself is changing.

Come the celebrations for the Year of the Ox next week, with dancing lions and seasonal dumplings, the Chinese audience will have a far broader spread of accents and dialects than was the case a decade ago. Along with long-resident Cantonese, there will be the less nasal tones of the Beijing-born and the slang of the Shanghaiese.

But that's the outer buffer zone!" my incredulous London travel agent exclaims when I ask him to book me a ticket to Peace River, my home town in northern Canada.

We briefly exchange cosmopolitan small-talk about how charmingly old-fashioned such remote hamlets tend to be - a conversation that gives me a guilty thrill at what a sophisticated urbanite I have become.

Then I surrender my credit card number and what seems to be a small fortune and a few weeks later I am off on a January visit to my family.

As the final light aircraft takes off from Edmonton, the Alberta capital, "outer buffer zone" seems an apt description for the bleak white desert which unfolds below. The 300-mile journey, almost due north, takes me over a vast expanse of flat prairie buried in several feet of snow and an evergreen forest the size of Wales in which the deer outnumber the people.

If I were driving, I would not pass any towns larger than my destination which, with a population of 10,000, is the commercial hub of the Albertan north.

Gazing down at the emptiness, I fight a rising wave of panic. Will I survive the next four days of Arctic isolation? Will there be enough to do, to talk about, to



Out with the old: Chinatown will hear less nasal tones of the Beijing-born and the slang of the Shanghaiese

ation estimates that of the 150,000 ethnic Chinese residents in the UK, about 100,000 are in London. It expects a majority of the 50,000 Hong Kong families given right of abode by the British government to settle in the capital. Longer term, the most influential newcomers will be the mainlanders who have the weight of numbers behind them.

In 1980, only 5,300 holders of People's Republic of China passports entered the UK. In 1990, 20,400 arrived and, in 1995, 44,600. In 1990, 340 students arrived from the PRC and, in 1995, there were 2,350 who took up courses. The northern Chinese among them have challenged the southern traditions of Chinatown, as they have a diet more based on wheat than rice and a reputation being less mercantile minded.

The big event this year is the return of Hong Kong to Beijing, and it is clear that some money is moving out before the People's Liberation Army moves in. A rush of apartment purchases, often sight unseen, by Hong Kong buyers has helped turn round the central London property market, and New York

police say money appears to be flowing out of Hong Kong into local Chinatown banks.

The US police presumption is that triads will try to shift operations and personnel offshore, though they have not yet surfaced in larger than normal numbers on New York's streets. David Yat says "there is trouble with the TO [Tung On gang] in

The changing character of Chinatown tells of shifts within China itself

East Broadway", where the Fujianese have asserted authority.

There are gangs, tongs and triads in New York. Gwen Kinkead, in her work *Chinatown - Portrait of a Closed Society*, traces the extensive networks of the White Tigers, the Can Street Boys and the Flying Dragons. If you look at the lineage, these gang members

are the bastard children of early 20th century Chinese warlords and 19th century US racism, eloquently described by President Grover Cleveland, who said the Chinese were "impossible of assimilation".

The isolation of the first arrivals, mostly single men lured by the prospect of gold, encouraged the formation of associations (tongs) and the closed culture of Chinatown. Competition for the support of its residents turned political with the rise of communism on the mainland and the exile of the Nationalists on Taiwan.

The political segregation has eased, and in the same Gerrard Street, London, newsgagencies you can buy mainland and Taiwanese publications, but the struggle continues.

Last July, the Taiwanese Central News Agency complained of "Beijing's fierce competition for overseas Chinese loyalty". A more interesting example is a made-for-the-mainland melodrama called *Beijing Native* in New York and screened in 1993. It had all the usual soap stuff, with an accomplished cast forced to

wash dishes in a restaurant and his wife making

sweaters and, later, leaving him

for an American businessman. The People's Daily attempted to score points by suggesting that "no matter where you go, you always remain Chinese".

Coping with crude calls for "patriotism" to the Motherland, and dealing with questions about loyalty to the UK is part of the self-defined brief of Yung Wah, who was raised in Hong Kong by a family with roots in Shanghai, studied at Manchester University and, in 1992, became that city's first ethnic Chinese woman to be appointed a justice of the peace.

She co-wrote *British Soil, Chinese Roots*, a sometimes frank, sometimes idealised portrait of local life published last year. At the launch, a Chinese official complained that she had included references to Taiwanese organisations in the UK.

Sitting in the New Emperor restaurant in Manchester's Chinatown, Yung Yung explained that she was "proud of this Chinatown", but that publicity about triads and protection rackets

made people wonder if "it is safe to walk on the streets".

Local police say that it is convenient for a small-time hood to suggest that he has a link to a powerful Hong Kong triad, but there is little evidence of crime syndicate control.

Yung Yung, Mrs Buckley as she is formally known, talked for three hours about the mixed emotions and the ambitions of local Chinese, and she herself reflected many of the concerns/hopes of Chinese who have lived abroad during the past two centuries.

She worries about the identity of BBCs (British-born Chinese) who no longer cultivate their roots; she sees the recognition she has gained as a recognition for her community. She is angered that her prominence has made her a target for endless Chinatown gossip. She is annoyed that the west is trying to "suppress" the emerging China; and she glows gently about the 10,000-book public library she has established.

Within those covers is literary evidence of Chinatown's more varied present - Catherine Cookson in Chinese.

Arcadia Big thaw in the great white north

Chrystia Freeland makes the bleak journey home to Peace River in northern Alberta

eat? At least, I think in snug

teenage sisters with my slick city style - chocolate brown (the "black" of 1997) flared trousers and a brown velvet shirt.

But when I walk to my airy, cedar childhood home on our family farm 10 miles out of town, my sisters seem to have more pressing concerns.

"Oh, sorry, we were surfing," they explain, when at last I come upon them in the study, their two rapt faces bathed in the bluish glow of their computer screen.

"Knowing anything about Nigerian human rights abuses?" asks Katie, the 15-year-old. "I've joined Amnesty International through the Net and that's our latest campaign."

Instead of Nowheresville, I seem to have arrived in Cyber-city. Deflated, I try a hesitant little twirl to draw attention to my metropolitan splendour.

"Nice pants, I bought some like them in LA last summer," Katie observes as I flee the room lest Anne discover my guilty secret - I have no E-mail address.

lashes. The white "fur" around

my hat is ice-encased hair.

My rediscovered nerve is tested when we decide to venture on to the modest downhill ski runs on Misery Mountain, just a few miles from my family's home.

Many skiers wear top-to-toe snowsuits and face masks covering everything but their irises

and nostrils. A notice-board inside the chalet gives a daily warning of how long it takes exposed flesh to freeze, alongside the bulletin about the weather and snow condition.

Preoccupied by adjustments to my neck-warmer - in the end I decide it should go on top of my turtle-neck sweater but beneath

the thick ear-flaps of my woolly hat - it is not until we are being dragged up by the T-bar that I notice my sisters have actually come out without coats.

"These sweaters are really warm," they insist between shivers when I question their suicidal attire.

Scanning the slopes more carefully, I notice that none of the teenage girls are wearing Parkas. Next to our bulky figures, enveloped in wool and down, they look like naked wreaths and as I watch them the explanation slowly dawns.

"Are you worried that Parkas make you look fat?" Eyes downcast, my sisters nod. On top of the familiar adolescent threat of anorexia, it seems northern winters must contend with hypothermia as well.

For many of their less image-conscious elders, though, the winter is welcome. Logging and oil exploration, two of the mainstays of the local economy, can only be done when the ground is frozen, making the year's coldest months some of the busiest.

Of course, the opposite is true

for farming, which at the turn of the century first brought European settlers to the fertile Peace River valley. Many farmers enliven the frozen months by taking second jobs: my farming father works in the winter as a lawyer, others moonlight as carpenters, mechanics or loggers.

Some of their neighbours have found a different way of keeping busy. They are activist members of Farmers for Justice, which is waging the Canadian prairies' answer to the civil rights' struggle. Their oppressor is the Canadian Wheat Board, a national organisation to which all wheat-growers must sell their crop.

One Farmer-for-Justice has even been to jail for the cause: he was imprisoned for independently exporting some of his wheat across the border to the US. In solidarity, the Peace River Farmers for Justice, and other like-minded crusaders across the prairies, mounted their own version of non-violent civil disobedience. Hundreds of them carried sacks of wheat on foot across the US border.

They hoped to clog up the fed-

eral justice system by provoking hundreds of arrests. To their dismay the police refused to rise to the bait and the Peace River contingent went home to more long winter nights.

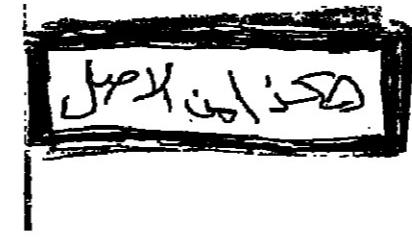
Free-wheeling antics such as this come naturally to the denizens of the Peace valley. The local hero, immortalised in wooden statues, paintings, buttons and jewellery, is a man known as Two-Foot Davis.

He earned his nickname by prospecting for gold in the 120 strips of no-man's-land left between official claims. That undying ingenuity and a generosity of spirit ("He never left his cabin door closed") have made him a sort of patron saint of the Peace.

At the thought of Davis, and of Peace River's newest band of justice-seekers, I begin to recall some of the virtues of the Canadian north: its raw beauty, the free spirit of its people; its small-town friendliness, the community's good-natured tolerance of eccentricity.

"When you grow up, do you want to stay in Peace River?" I ask Anne, in a voice gentle with nostalgia. Standing at the top of the ski lift, we gaze down at the dramatic gorge carved out below by the Peace River.

Then Anne brought me thumping back to earth with her matter-of-fact reply: "Of course not. It's really boring here."



Weekend Investor

Wall Street

The strength behind all those records

John Authers finds plenty of evidence for US economic optimism

Perhaps it is time to return to fundamentals. Wall Street started the year in eye-catching fashion, with the indices tracking the movements of the bond and equity markets whirling like so many dervishes.

Records were set for the all-time highest level - with the Dow Jones Industrial Average briefly topping 6,900 - and for the busiest day's trading. The Dow also came within a whisker of setting a new mark for its worst afternoon fall in history.

Strip away the technical glare, and January provided plenty of new data on the underlying strength of the economy. The quarterly earnings season, now virtually complete, confirmed that corporate America still is growing - and faster than most had thought.

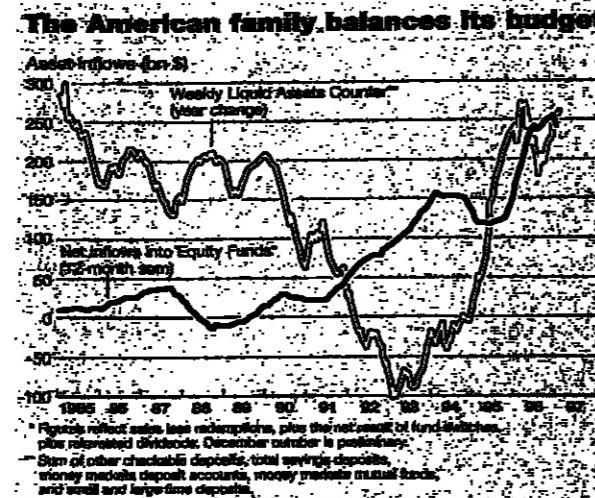
Most of the news from the boardrooms has been good, with profits coming in ahead of predictions. Generally, they are about 10 per cent above their level of the year before. But turnover is up by more than this, so confirming that profit margins are under a little pressure.

According to a Prudential Securities analysis, profit gains were greatest in the energy sector (up 42.8 per cent) where companies generally managed to do better than analysts had expected. Consumer and financial services companies also registered percentage profit growth in the teens.

Anecdotal evidence is that the fund management industry is having its best month ever. The problem, frequently rehearsed in Wall Street boardrooms over the past few years, is that this money could just as easily be withdrawn.

But research on broader financial flows, published by Deutsche Morgan Grenfell this week, suggests that these flows may not carry the sting in the tail.

According to Ed Yardeni,



Deutsche Morgan Grenfell

confirms that the flows into equity mutual funds for 1996 was as confirmed by the institution.

This is just the sort of behaviour Wall Street wants to see. More significantly for the long-term health of the market, American consumers also seem to be behaving just the way Wall Street would like.

The monumental flows of cash into equity mutual funds have been well-documented, as has the recent vogue for index funds which has helped large-capitalisation stocks. Figures from the Investment Company Institute this week confirmed that last year was a record one, albeit very slightly below initial estimates.

Anecdotal evidence is that the fund management industry is having its best month ever. The problem, frequently rehearsed in Wall Street boardrooms over the past few years, is that this money could just as easily be withdrawn.

But research on broader financial flows, published by Deutsche Morgan Grenfell this week, suggests that these flows may not carry the sting in the tail.

According to Ed Yardeni, Deutsche Morgan's chief economist, flows into "liquid assets" (which he takes to include cheque accounts of all forms, savings and deposit accounts, money market mutual funds and time deposits) continue to rise to record levels each week.

He estimates flows into these cash savings vehicles in the year to January 13 at

\$255bn. This is slightly higher than the flows into equity mutual funds for 1996 as confirmed by the institution.

Having a pool of cash accumulating like this while the stock market continues to rally is extremely positive for equities. It lessens the chances of mass redemptions when the market turns down, and means that consumers have flexibility to deal with a serious economic downturn.

How can this be explained? Yardeni suggests that the philosophy is: "Stocks for retirement. Cash for emergencies." In other words, households are pouring money into retirement savings and then making sure it can stay invested for a rainy day by keeping other assets liquid.

Retirement savings, particularly from post-war baby boomers, have formed the backbone of the mutual funds' rising sales. Yardeni suggests this could mean the boomers believe they have taken enough risk by investing their pension money in equities; either that or they are feeling insecure about their jobs.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of security, US households have yet more money which they could put into equities.

It also indicates that,

given a greater feeling of

FT MANAGED FUNDS SERVICE

Authorised and Insurances

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Insurances, Money Markets and Other

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

FT MANAGED FUNDS SERVICE

Offshore Funds and Insurances

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

LUXEMBOURG
ISIB RECOGNISED

FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

- FT Cityline Unit Truck Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

WORLD STOCK MARKETS

Dow ahead on supportive data

AMERICAS

A jump in the bond market that sent the yield on the 30-year Treasury down to around 6.8 per cent helped US shares to move ahead for a second session, writes *Liza Branstetter* in New York.

At 1 pm, the Dow Jones Industrial Average was 43.87 stronger at 6,887.73 and the Standard & Poor's 500 climbed 6.76 to 780.33. Technology shares continued the rally which began on Thursday with the Nasdaq composite gaining 10.84 at 1,381.06 and the Pacific stock Exchange technology index climbing 0.8 per cent. NYSE volume was 307m shares.

Before the market opened, the Commerce department

reported that the US gross domestic product rose a stronger than expected 4.7 per cent in the fourth quarter of last year, while the price deflator rose by a smaller than expected 1.4 per cent.

Those figures were especially supportive of the equity market because they indicated that the economy remained strong but there was little threat of inflation.

Several companies moved on earnings announcements as the reporting season drew to a close. Kellogg climbed \$1 at \$69 after announcing operating earnings that were slightly ahead of expectations. Coca-Cola, which is a component of the Dow, advanced 5% to \$58 on Thurs-

days that were in line with forecasts.

Borders Group, the second largest book retailer in the US, jumped \$3% or 9 per cent to \$43 after announcing that it expected to report stronger than expected quarterly earnings.

Shares in Dow Jones rose \$2 or 5 per cent to \$40 on reports that Reuters Holdings might be interested in a joint venture or an acquisition of the company's Teletext unit. Dow Jones denied the speculation.

Texas Instruments jumped \$7 or 7 per cent to \$57 amid hopes for a new semiconductor that the company was to introduce next week.

TWA gave back some of the 5% it rose on Thurs-

day on reports that a New Jersey company allied with the Russian airline, Transaero, had offered to take a controlling stake in the US airline. TWA said that the talks had never progressed to board level and its shares fell \$4 to \$65.

TORONTO rode out another bad morning for gold stocks, rising strongly in solid volume to close with the 300 composite index up 19.76 at 6,104.86 on the noon calculation.

The golds sector gave up a further 1.1 per cent with Barrick Gold off 25 cents to C\$36.10 and Placer Dome down 40 cents to C\$27.50. But transports and utilities pushed forward strongly.

Northern Telecom surged

C\$2.35 to C\$99.50 and Newbridge Networks jumped 85 cents to C\$46.50.

SAN PAULO surged strongly during the morning session which saw a marked improvement in levels of activity. Dealers said big local players had returned to the market and that there had been keen buying by foreign funds.

At midsession the Bovespa index was up 1,567 or 2 per cent at 79,456.

SANTIAGO picked up 1 per cent as Endesa traded higher after its better than expected earnings figures, released late on Thursday. The IPSA index rose 1.2 to 110.96 at midsession as Endesa rose 1.5 per cent to 256.76 pesos.

Italians rediscover an appetite for equities

Paul Betts reports on a switch out of bonds

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

the index to end this year

flat. Yesterday, the index fell 1.41 to 769.33.

The bulls argue that Italy

is catching up with other world markets (excluding Japan) after two years of lethargy. It is one of the few

between 10 and 25 per cent

while 38.4 per cent felt it could breach 25 per cent.

Only 11 per cent expected

Mexican government takes controversial railway stake

By Daniel Dombey
in Mexico City

Losing bidders in a Mexican railway privatisation have cried foul after the government announced it would take a stake in the consortium that won the tender.

Transportacion Ferroviaria Mexicana (TFM), a joint venture between Transportacion Maritima Mexicana (TMM), the country's biggest shipping company, and rail operator Kansas City Southern Industries of the US, paid 11bn pesos (\$1.4bn) for 80 per cent of Mexico's 4,000km Northeast line. Two other consortia each bid less than half the winning amount for

the 50-year concession. However, after fears that TFM would be unable to keep up interest payments and carry out major investments, the government agreed to buy back a \$200m equity stake in the line for a limited period.

"It looks like the men from TMM could not come up with all the money they needed and the government gave them a hand," said Mr Carlos Oyan, who headed the railway project at Grupo Mexico, a mining company which also bid for the Northeast line.

TMM defended the move as "a kind of cheap financing". Mr Jacinto Marina, chief financial officer, added: "The government liked the project and

wanted to take part. But its role is of a temporary nature. Its shares have no vote."

Investment bankers said the unusual procedure could affect foreign investors' enthusiasm for Mexican privatisations.

"The government got involved before the fact. That could influence other privatisations before the fact," said Mr Felix Boni, head of research at ING Barings in Mexico City.

TFM yesterday paid the first instalment of 4.4bn pesos for the line and said the government would pay \$200m for a stake of up to 24.5 per cent in TFM once the purchase was complete by July.

Mr Jorge Silberstein, head of the privatisation unit at

Mexico's transport ministry, said: "They would have been able to get the money to pay for the line. But we were very concerned that the interest rates would kill them. The financing was in place but the market just got scared."

TFM, which plans \$900m of investment in the line over five years, had attracted some market scepticism for its prediction of \$311m in operating profits by its third year.

Now, TFM says it will be starting capital of \$280m, not including the \$200m from the government. The \$280m includes \$150m arranged by a bank group involving Morgan Stanley. Initially, TFM had been advised by Merrill Lynch

Bond debut for the euro

Continued from Page 1

welcomed by buyers globally, with funds from Switzerland, Luxembourg and Germany showing early interest. Mr Ardalan said there was a good response from UK institutions, and some buying from central banks in Asia.

Mr Cliff Dammers, of the International Primary Markets Association, said interest from overseas central banks in holding the euro was a good sign for the currency's status, putting it on the same level as the US dollar or Japanese yen.

The EIB said it would use the capital raised to refinance debt. The "euro-eurobond" is due to mature on April 15 2004, and has an annual interest payment of 5.25 per cent. This is 0.03 of a percentage point above the current trading value of the equivalent French ecu-denominated bond and 2 points below what the UK pays on a similar sterling bond.

The market gave its endorsement to the bond when its price rose in later trading.

Sharp increase in US growth

Continued from Page 1

inflationary implications for the domestic US economy. Exports grew at an annual rate of 25.5 per cent in the final quarter of 1996. Import growth slowed from the previous quarter to an annual rate of 4.7 per cent. Overall, net exports contributed growth of 2.1 per cent to the GDP figure.

Gross domestic purchases grew much less rapidly than overall GDP, at 2.6 per cent. Non-residential building investment proved unexpectedly strong, growing at 22.5 per cent, the fastest pace for 12 years, while other investment and government spending grew more modestly.

C&W may scrap alliance with German utilities

By Nicholas Denton, Ralph Atkins and Alan Cane

A realignment of European telecommunications alliances appeared in prospect last night.

Cable and Wireless of the UK is holding up the conclusion of its proposed joint venture in Germany with Veba and RWE, two leading local utilities, and is thought by executives close to the German utilities to be preparing to abandon the alliance.

The manoeuvres form part of the attempt by established European telecoms operators and entrants into the market, such as power companies and other utilities, to prepare for full competition in voice traffic across the European Union from 1998.

Cable and Wireless established its link with Veba in 1995 to challenge Deutsche Telekom's dominance of the German market. A shareholder agreement confirming RWE's entry into the alliance was

drawn up two weeks ago, but Cable and Wireless has not signed the contract, and negotiations on the terms have been reopened.

There are some points that we are continuing to discuss with our new partners," Veba confirmed yesterday.

Neither it nor C&W were prepared to forecast the resolution of the disagreement.

Executives close to the German utilities said they believed C&W was changing its international strategy.

Mr Richard Brown, chief executive, is believed to be seeking closer links with Deutsche Telekom and its partners in the Global One alliance, which include France Telecom and Sprint, the US long-distance carrier.

Any deal between C&W and Global One would bring together British Telecommunications' main domestic competitor and its main rival in the market for international telecoms services for multinationals.

Swiss banks in document 'shredding' probe

Continued from Page 1

incident which it describes as a tragic mistake. However, the affair has underscored fears that Swiss banks have destroyed potentially damaging evidence before auditors to the committee begin their search for funds deposited in dormant bank accounts of Holocaust victims.

Swiss banks have argued that they rigorously scoured their records and that it is unlikely further sums will be found. Estimates by the Swiss banks are that no more than SFr40m (\$27.9m) resides in dormant accounts.

Swiss president Arnold Koller expressed regret to Israeli prime minister Mr Benjamin Netanyahu on Friday for the "monstrous, unspeakable wrong" of the Holocaust.

Mr Volcker indicated that

initial research by the committee's auditors found only 26 out of more than 500 Swiss banks had responded to a 1962 decree ordering them to identify and turn over assets in dormant bank accounts of Holocaust victims.

Swiss banks have argued that they rigorously scoured their records and that it is unlikely further sums will be found. Estimates by the Swiss banks are that no more than SFr40m (\$27.9m) resides in dormant accounts.

Swiss president Arnold Koller expressed regret to Israeli prime minister Mr Benjamin Netanyahu on Friday for the "monstrous, unspeakable wrong" of the Holocaust.

Europe today

Most of the UK will be cloudy, with rainy periods around the Irish Sea. Western France and northern Spain will also have rainy periods. Sun will spread towards the Benelux, northern France and northern Germany. South-eastern France, Spain and central Italy will also be sunny.

Russia, Poland, the Ukraine and Romania will have cloud and light snow.

South-eastern Europe will also be cloudy but with sunny spells and an isolated shower.

Most of Europe will become cooler.

Five-day forecast

High pressure over the Atlantic will spread towards central Europe, bringing sunny periods and calm conditions.

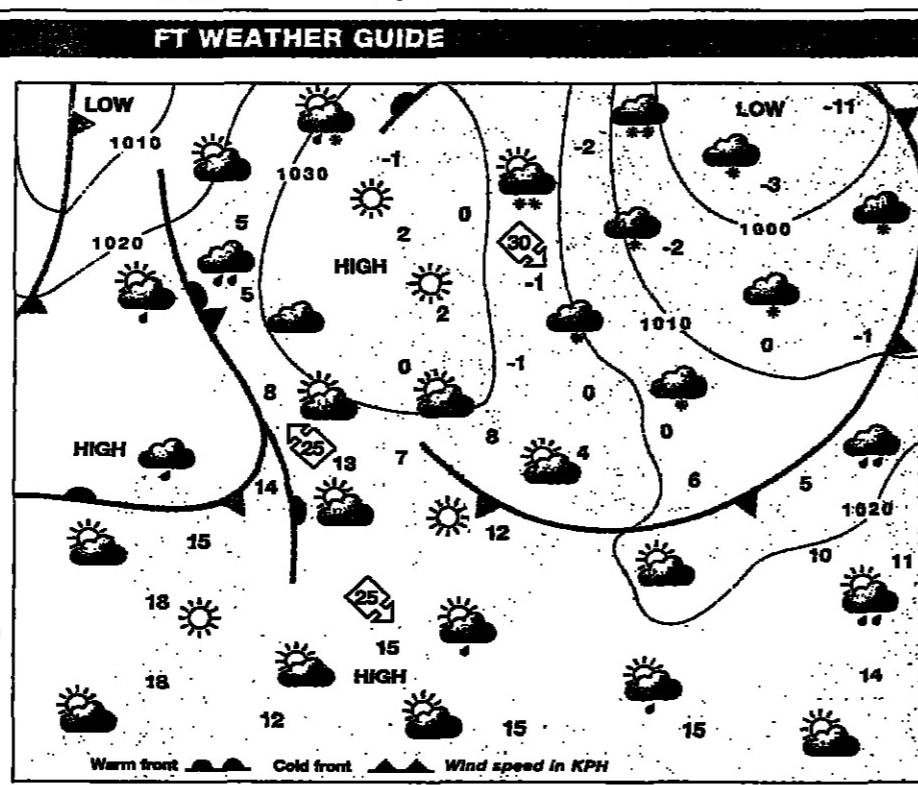
Scandinavia and the UK will become unsettled.

Cloud will return to north-western Europe.

Several disturbances will bring unsettled conditions to the extreme south.

TODAY'S TEMPERATURES

Maximum temperatures for day. Forecasts by Meteo Consult of the Netherlands



No other airline flies to more cities around the world.

Lufthansa

FINANCIAL TIMES

Weekend February 1/Febuary 2 1997

THE LEX COLUMN

Bonding with Brussels

It is not often that one can simultaneously declare victory for Brussels and London - but the launch of the first euro-denominated bond issue is one such case. The strong demand from a wide range of investors for the Elba issue is powerful symbolic affirmation that the euro will happen. This is some show of faith given that its existence and composition remain uncertain, while its chief guardian, the European central bank, has not yet been born.

Still, one should not make too much of this: if the euro fails to arrive, investors will still be holders of an Ecu bond. And if it does go ahead, the uncertainties surrounding its exact composition are probably no greater than those which face existing holders of Ecu bonds or other European sovereign debt.

The rich irony, of course, is that this celebration of the European ideal should take place in the City of London, home to all sorts of dastardly sub-species like Anglo-Saxon speculators and eurosceptics. But this too should not surprise: the quality and depth of the City's financial infrastructure and labour markets will remain a huge competitive advantage, whether the realm is sterling or the euro.

Digital TV

Those who doubted that digital terrestrial television would get off the ground in the UK - including this column - may have to eat their words. By including British Sky Broadcasting in its British Digital Broadcasting (BDB) consortium, Carlton has overcome the biggest hurdle: that the satellite broadcaster has the most attractive sports and film rights sewn up for the next few years. One can now envisage digital terrestrial TV offering a successful package. True, with only 30 channels, it will not have the full range of 200-channel digital satellite TV. But if it includes the most popular channels and is competitively priced, it should be able to carve out a market among those who would like some pay-TV but do not want to pay for the full service.

In May 1996, Veba paid \$240m (£13.5bn) for a 10.5 per cent stake in C&W and the UK group agreed to take a 45 per cent stake in a telecoms joint venture dubbed Vebacom. They agreed to work together across Europe.

In May 1996, Mr Brown was appointed to head C&W and, after merging its UK operating company with three cable companies, began to re-evaluate its strategy in Europe and Asia, where it controls Hong Kong Telecom.

For the same reason, BDB looks best placed to win the franchise.

The rival plan by International CableTel - with its minor sports,

classic films and slew of education

and money channels - lacks compelling content. It could therefore struggle to persuade viewers to sign up. If BDB does win the franchise and is successful in building a busi-

ness, Carlton and Granada (the consortium's third partner) will be clear beneficiaries. Not only will each receive a third of BDB's profits; they will also be paid for supplying channels to the platform. The clearest losers would be the cable television companies: customers who might otherwise sign up to their networks could be drawn to BDB instead.

The implications for BSkyB are more complicated. The group is really a combination of two businesses - a channel provider and a satellite distribution platform.

Opening up a new distribution network should increase its revenues as a channel provider in the medium run. But if BDB thrives, BSkyB's distribution platform could be marginalised. If that happened, BSkyB could find it harder to continue to make phenomenal profits from packaging other people's sport and film rights.

BSkyB's dominance of pay-TV would have been more secure if digital terrestrial never saw the light of day. But with the technology looking as though it will now get off the drawing board, BSkyB is certainly right to join the strongest consortium. Not only will it enjoy a third of any upside; it should also be able to ensure that BDB does not compete with it head-on.

For the same reason, BDB looks

best placed to win the franchise. The rival plan by International CableTel - with its minor sports, classic films and slew of education and money channels - lacks compelling content. It could therefore struggle to persuade viewers to sign up. If BDB does win the franchise and is successful in building a busi-

ness, Carlton and Granada (the consortium's third partner) will be clear beneficiaries. Not only will each receive a third of BDB's profits; they will also be paid for supplying channels to the platform. The clearest losers would be the cable television companies: customers who might otherwise sign up to their networks could be drawn to BDB instead.

Of course, this information deficit also makes it difficult for predators and their shareholders to judge what ScotAm is really worth. Given Abbey's record of extracting value when it bought Scottish Mutual, and the scope for cutting duplication between the two businesses, there is every reason for its shareholders to give Abbey's offer the benefit of the doubt. The same may not be true, however, if an auction develops and prices escalate.

But that is precisely what ScotAm policyholders should be hoping for. The insurer's board should be doing everything - such as making proper information available - to encourage a lively auction. If it remains attached to its own proposal, by all means let it put the choice to a vote alongside the highest bid. But its present boardroom self-indulgent.

Share ownership

The UK government yesterday trumpeted a return to wider share ownership - that great lost cause of the 1980s. Happily, its proposals amount to little more than a bit of pre-election tinkering. Making employee share schemes more flexible and extending their tax relief should encourage more companies to package other people's sport and film rights.

But, as repeated privatisations have proved, giving people cheap shares in a company or two turns them into stags, not active private investors. Nor should it perhaps, since many individuals do not have the means to buy the 30 or so stocks needed for a well-diversified portfolio. Companies meanwhile, find it time-consuming and expensive to have leagues of small shareholders on their register. As for the government, its claim of wanting to establish a genuine partnership between employees and companies rings a little hollow after last year's decision to phase out profit-related pay.

This announcement appears as a matter of record only.

November 1996

un

UNITED
news & media

United News & Media plc

(Incorporated in England and Wales with limited liability under Registered Number 152298)

£180,000,000

6½ per cent. Subordinated Convertible Bonds due 2003

convertible into fully paid ordinary shares of 25 pence each nominal value of

United News & Media plc

Issue Price: 100 per cent.

Dresdner Kleinwort Benson

SBC Warburg

Cazenove & Co.

UBS Limited

Société Générale

Dresdner Kleinwort Benson

Member of the Dresdner Bank Group.